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DRAFT 2

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 232

A bill to make appropriations for the department of human services and certain state purposes related to public welfare services for the fiscal year ending September 30, 2008; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1

PART 1

2

LINE-ITEM APPROPRIATIONS

3

Sec. 101. Subject to the conditions set forth in this act, the

4

amounts listed in this part are appropriated for the department of



1 human services for the fiscal year ending September 30, 2008, from  
 2 the funds indicated in this part. The following is a summary of the  
 3 appropriations in this part:

4 **DEPARTMENT OF HUMAN SERVICES**

5 APPROPRIATION SUMMARY:

6	Full-time equated classified positions .....	10,407.5	
7	Full-time equated unclassified positions .....	5.0	
8	Total full-time equated positions .....	10,412.5	
9	GROSS APPROPRIATION .....		\$ 4,532,355,100
10	Interdepartmental grant revenues:		
11	Total interdepartmental grants and intradepartmental		
12	transfers .....		2,416,000
13	ADJUSTED GROSS APPROPRIATION .....		\$ 4,529,939,100
14	Federal revenues:		
15	Total federal revenues .....		3,136,319,700
16	Special revenue funds:		
17	Total private revenues .....		9,039,200
18	Total local revenues .....		41,747,000
19	Total other state restricted revenues .....		59,698,600
20	State general fund/general purpose .....		\$ 1,283,134,600
21	<b>Sec. 102. EXECUTIVE OPERATIONS</b>		
22	Total full-time equated positions .....	459.4	
23	Full-time equated unclassified positions .....	5.0	
24	Full-time equated classified positions .....	454.4	
25	Unclassified salaries--5.0 FTE positions .....		\$ 537,200
26	Salaries and wages--312.4 FTE positions .....		17,806,700
27	Contractual services, supplies, and materials .....		5,883,300



1	Demonstration projects--9.0 FTE positions .....	8,157,300
2	Inspector general salaries and wages--106.0 FTE	
3	positions.....	5,752,400
4	Electronic benefit transfer EBT .....	7,333,600
5	Office of professional development--12.0 FTE positions	2,352,200
6	Michigan community service commission--15.0 FTE	
7	positions.....	9,733,700
8	State office of administrative hearings and rules ....	<u>3,538,000</u>
9	GROSS APPROPRIATION .....	\$ 61,094,400
10	Appropriated from:	
11	Federal revenues:	
12	Total federal revenues .....	39,943,800
13	Special revenue funds:	
14	Total private revenues .....	2,199,600
15	Total local revenues .....	175,000
16	Total other state restricted revenues .....	25,000
17	State general fund/general purpose .....	\$ 18,751,000
18	<b>Sec. 103. CHILD SUPPORT ENFORCEMENT</b>	
19	Full-time equated classified positions .....	213.7
20	Child support enforcement operations--207.7 FTE	
21	positions.....	\$ 24,136,900
22	Legal support contracts .....	138,753,600
23	Child support incentive payments .....	27,624,600
24	State disbursement unit--6.0 FTE positions .....	<u>18,505,800</u>
25	GROSS APPROPRIATION .....	\$ 209,020,900
26	Appropriated from:	
27	Federal revenues:	



1	Total federal revenues .....	186,443,100
2	Special revenue funds:	
3	Total local revenues .....	340,000
4	Total other state restricted revenues .....	2,625,000
5	State general fund/general purpose .....	\$ 19,612,800
6	<b>Sec. 104. COMMUNITY ACTION AND ECONOMIC OPPORTUNITY</b>	
7	Full-time equated classified positions .....	17.0
8	Bureau of community action and economic opportunity	
9	operations--17.0 FTE positions .....	\$ 1,920,700
10	Community services block grants .....	27,068,100
11	Weatherization assistance .....	<u>18,418,700</u>
12	GROSS APPROPRIATION .....	\$ 47,407,500
13	Appropriated from:	
14	Federal revenues:	
15	Total federal revenues .....	47,407,400
16	State general fund/general purpose .....	\$ 100
17	<b>Sec. 105. ADULT AND FAMILY SERVICES</b>	
18	Full-time equated classified positions .....	76.2
19	Executive direction and support--6.0 FTE positions ...	\$ 525,700
20	Domestic violence prevention and treatment--5.5 FTE	
21	positions .....	14,684,200
22	Rape prevention and services .....	2,600,000
23	Guardian contract .....	600,000
24	Adult services policy and administration--6.0 FTE	
25	positions .....	625,700
26	Income support policy and administration--28.7 FTE	
27	positions .....	4,716,700



1	Employment and training support services .....	30,259,300
2	Wage employment verification reporting .....	848,700
3	Urban and rural empowerment/enterprise zones .....	100
4	Nutrition education .....	13,100,000
5	Crisis prevention and elder law of Michigan food for	
6	the elderly project .....	70,000
7	Jobs, education and training expansion--30.0 FTE	
8	positions .....	<u>17,980,800</u>
9	GROSS APPROPRIATION .....	\$ 86,011,200
10	Appropriated from:	
11	Interdepartmental grant revenues:	
12	IDG from DCH - crime victims' fund .....	1,300,000
13	ADJUSTED GROSS APPROPRIATION .....	\$ 84,711,200
14	Appropriated from:	
15	Federal revenues:	
16	Total federal revenues .....	51,095,700
17	State general fund/general purpose .....	\$ 33,615,500
18	<b>Sec. 106. CHILDREN'S SERVICES</b>	
19	Full-time equated classified positions .....	107.5
20	Salaries and wages--43.7 FTE positions .....	\$ 2,734,900
21	Contractual services, supplies, and materials .....	936,300
22	Foster care payments, abuse and neglect .....	178,223,200
23	Adoption subsidies .....	231,704,000
24	Adoption support services--7.7 FTE positions .....	12,565,600
25	Youth in transition--2.0 FTE positions .....	13,263,700
26	Interstate compact .....	231,600
27	Children's benefit fund donations .....	21,000



1	Teenage parent counseling--2.3 FTE positions .....	3,815,800
2	Families first .....	16,946,700
3	Child safety and permanency planning .....	16,286,700
4	Strong families/safe children .....	14,908,100
5	Child protection/community partners--18.3 FTE	
6	positions.....	5,539,400
7	Zero to three .....	3,843,800
8	Family group decision making .....	2,454,700
9	Family reunification program .....	3,977,100
10	Family preservation and prevention services	
11	administration--14.5 FTE positions .....	2,255,300
12	Black child and family institute .....	100,000
13	Children's trust fund administration--9.0 FTE	
14	positions.....	1,027,300
15	Children's trust fund grants .....	3,825,100
16	ECIC, early childhood investment corporation .....	14,823,000
17	Attorney general contract .....	3,329,300
18	Prosecuting attorney contracts .....	1,061,700
19	Marriage and fatherhood initiatives .....	1,000,000
20	Child protection--5.0 FTE positions .....	800,000
21	Subsidized guardianship program .....	4,575,000
22	Title IV-E compliance and accountability office--5.0	
23	FTE positions.....	400,000
24	Child care fund, abuse and neglect .....	46,293,100
25	Child care fund in-home care incentive program .....	100
26	GROSS APPROPRIATION .....	\$ 586,942,500

27 Appropriated from:



1	Federal revenues:	
2	Total federal revenues .....	373,088,300
3	Special revenue funds:	
4	Private - children's benefit fund donations .....	21,000
5	Private - collections .....	3,100,000
6	Local funds - county chargeback .....	8,357,000
7	Children's trust fund .....	3,801,600
8	State general fund/general purpose .....	\$ 198,574,600
9	<b>Sec. 107. JUVENILE JUSTICE SERVICES</b>	
10	Full-time equated classified positions .....	318.5
11	High security juvenile services, male--137.0 FTE	
12	positions.....	\$ 14,660,800
13	High and medium security juvenile services, female--	
14	90.0 FTE positions.....	7,582,400
15	Juvenile justice services, northern Michigan--45.0 FTE	
16	positions.....	4,453,300
17	Capital improvements, juvenile justice facilities ....	2,000,000
18	Child care fund, juvenile justice .....	156,007,700
19	Child care fund administration--5.8 FTE positions ....	772,300
20	County juvenile officers .....	3,890,400
21	Community support services--2.0 FTE positions .....	1,495,600
22	Juvenile justice field staff, administration and	
23	maintenance--20.0 FTE positions .....	2,743,300
24	Federally funded activities--13.7 FTE positions .....	1,859,500
25	W. J. Maxey memorial fund .....	45,000
26	Juvenile accountability incentive block grant--1.0 FTE	
27	positions.....	1,297,600



1	Committee on juvenile justice administration--4.0 FTE	
2	positions.....	510,300
3	Committee on juvenile justice grants .....	5,000,000
4	Foster care payments, juvenile justice .....	<u>49,406,700</u>
5	GROSS APPROPRIATION .....	\$ 251,724,900
6	Appropriated from:	
7	Federal revenues:	
8	Total federal revenues .....	84,772,600
9	Special revenue funds:	
10	Total private revenues .....	45,000
11	Local funds - state share education funds .....	1,730,800
12	Local funds - county chargeback .....	29,332,200
13	State general fund/general purpose .....	\$ 135,844,300
14	<b>Sec. 108. LOCAL OFFICE STAFF AND OPERATIONS</b>	
15	Full-time equated classified positions .....	8,429.9
16	Field staff, salaries and wages--8,148.1 FTE positions	\$ 407,020,400
17	Contractual services, supplies, and materials .....	17,106,300
18	Medical/psychiatric evaluations .....	6,300,000
19	Donated funds positions--131.0 FTE positions .....	10,769,400
20	Training and program support--62.0 FTE positions .....	8,340,900
21	Food stamp reinvestment--78.8 FTE positions .....	7,343,800
22	Wayne County gifts and bequests .....	100,000
23	Volunteer services and reimbursement .....	1,294,900
24	SSI advocates--10.0 FTE positions .....	<u>2,163,700</u>
25	GROSS APPROPRIATION .....	\$ 460,439,400
26	Appropriated from:	
27	Federal revenues:	





1	Total federal revenues .....	260,134,800
2	Special revenue funds:	
3	Local funds - donated funds .....	1,812,000
4	Private funds - donated funds .....	643,900
5	Private funds - Wayne County gifts .....	100,000
6	Private funds - hospital contributions .....	2,929,700
7	Supplemental security income recoveries .....	675,200
8	State general fund/general purpose .....	\$ 194,143,800
9	<b>Sec. 109. DISABILITY DETERMINATION SERVICES</b>	
10	Full-time equated classified positions .....	568.4
11	Disability determination operations--545.9 FTE	
12	positions.....	\$ 82,346,600
13	Medical consultation program--18.4 FTE positions .....	2,660,900
14	Retirement disability determination--4.1 FTE positions .....	<u>827,000</u>
15	GROSS APPROPRIATION .....	\$ 85,834,500
16	Appropriated from:	
17	Interdepartmental grant revenues:	
18	IDG from DMB - office of retirement systems .....	1,116,000
19	ADJUSTED GROSS APPROPRIATION .....	\$ 84,718,500
20	Appropriated from:	
21	Federal revenues:	
22	Total federal revenues .....	81,911,500
23	State general fund/general purpose .....	\$ 2,807,000
24	<b>Sec. 110. CENTRAL SUPPORT ACCOUNTS</b>	
25	Rent .....	\$ 40,897,300
26	Occupancy charge .....	8,910,500
27	Travel .....	5,543,400



1	Equipment .....	277,300
2	Worker's compensation .....	4,259,000
3	Advisory commissions .....	17,900
4	Human resources optimization user charges .....	652,000
5	Payroll taxes and fringe benefits .....	<u>258,733,100</u>
6	GROSS APPROPRIATION .....	\$ 319,290,500
7	Appropriated from:	
8	Federal revenues:	
9	Total federal revenues .....	186,564,100
10	State general fund/general purpose .....	\$ 132,726,400
11	<b>Sec. 111. OFFICE OF CHILDREN AND ADULT LICENSING</b>	
12	Full-time equated classified positions .....	219.0
13	AFC, children's welfare and day care licensure--	219.0
14	FTE positions .....	\$ <u>23,750,900</u>
15	GROSS APPROPRIATION .....	\$ 23,750,900
16	Appropriated from:	
17	Federal revenues:	
18	Total federal revenues .....	11,928,100
19	Special revenue funds:	
20	Licensing fees .....	832,900
21	Health systems fees and collections .....	499,400
22	State general fund/general purpose .....	\$ 10,490,500
23	<b>Sec. 112. PUBLIC ASSISTANCE</b>	
24	Full-time equated classified positions .....	2.9
25	Family independence program .....	\$ 376,260,400
26	State disability assistance payments .....	36,530,500
27	Food assistance program benefits .....	1,221,340,900



1	State supplementation .....	57,517,000
2	State supplementation administration .....	2,477,100
3	Low-income home energy assistance program .....	116,451,600
4	Food bank funding .....	525,000
5	Homeless shelter contracts .....	11,646,700
6	Multicultural assimilation funding .....	1,715,500
7	Indigent burial .....	5,909,300
8	Emergency services local office allocations .....	21,865,500
9	Day care services .....	388,399,100
10	Refugee assistance program--2.9 FTE positions .....	<u>12,715,800</u>
11	GROSS APPROPRIATION .....	\$ 2,253,354,400
12	Appropriated from:	
13	Federal revenues:	
14	Total federal revenues .....	1,717,104,500
15	Special revenue funds:	
16	Child support collections .....	38,311,200
17	Supplemental security income recoveries .....	9,318,300
18	Public assistance recoupment revenue .....	3,610,000
19	State general fund/general purpose .....	\$ 485,010,400
20	<b>Sec. 113. INFORMATION TECHNOLOGY</b>	
21	Information technology services and projects .....	\$ 93,938,800
22	Child support automation .....	<u>53,545,200</u>
23	GROSS APPROPRIATION .....	\$ 147,484,000
24	Appropriated from:	
25	Federal revenues:	
26	Total federal revenues .....	95,925,800
27	State general fund/general purpose .....	\$ 51,558,200



## PART 2

## PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2006-2007 is \$1,337,803,900.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is \$121,371,100.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

## DEPARTMENT OF HUMAN SERVICES

## PERMANENCY FOR CHILDREN

Child care fund, abuse and neglect. ....	\$	24,650,600
Child care fund, juvenile justice .....		91,080,300
County juvenile officers .....		3,400,800

## OPPORTUNITY FOR ADULTS TO LIVE AND WORK IN THE COMMUNITY

State disability program .....	\$	<u>2,239,400</u>
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TOTAL .....	\$	121,371,100
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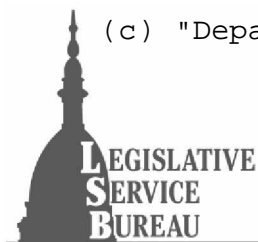
Sec. 202. The appropriations authorized under this act are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this act:

(a) "AFC" means adult foster care.

(b) "DCH" means the department of community health.

(c) "Department" means the department of human services.



(d) "DMB" means the department of management and budget.

(e) "ECIC" means early childhood investment corporation.

(f) "FTE" means full-time equated.

(g) "IDG" means interdepartmental grant.

(h) "JET" means jobs, education and training program.

(i) "RSDI" means retirement survivors disability insurance.

(j) "SSI" means supplemental security income.

(k) "Temporary assistance for needy families" or "TANF" or "title IV-A" means part A of title IV of the social security act, 42 USC 601 to 604, 605 to 608, and 609 to 619.

(l) "Title IV-D" means part D of title IV of the social security act, 42 USC 651 to 655 and 656 to 669b.

(m) "Title IV-E" means part E of title IV of the social security act, 42 USC 670 to 673, 673b to 679, and 679b.

(n) "VA" means veterans affairs.

Sec. 204. The department of civil service shall bill the department at the end of the first fiscal quarter for the 1% charge authorized by section 5 of article XI of the state constitution of 1963. Payments shall be made for the total amount of the billing by the end of the second fiscal quarter.

Sec. 205. (1) A hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department.



1           (2) The state budget director may grant exceptions to this  
2 hiring freeze when the state budget director believes that the  
3 hiring freeze will result in rendering a state department or agency  
4 unable to deliver basic services, cause loss of revenue to the  
5 state, result in the inability of the state to receive federal  
6 funds, or necessitate additional expenditures that exceed any  
7 savings from maintaining a vacancy. The state budget director shall  
8 report quarterly to the chairpersons of the senate and house of  
9 representatives appropriations committees and the senate and house  
10 fiscal agencies and policy offices on the number of exceptions to  
11 the hiring freeze approved during the previous quarter and the  
12 reasons to justify the exception.

13           Sec. 207. At least 60 days before beginning any effort to  
14 privatize services, the department shall submit a complete project  
15 plan to the appropriate senate and house of representatives  
16 appropriations subcommittees and the senate and house fiscal  
17 agencies. The plan shall include the criteria under which the  
18 privatization initiative will be evaluated. Sanctions, suspensions,  
19 conditions for provisional license status, and other penalties  
20 shall not be more stringent for private service providers than for  
21 public entities performing equivalent or similar services. Private  
22 service providers or licensees shall not be granted preferential  
23 treatment or deemed automatically in compliance with administrative  
24 rules based on whether they have collective bargaining agreements  
25 with direct care workers. Private service providers or licensees  
26 without collective bargaining agreements shall not be subjected to  
27 additional requirements or conditions of licensure based on their



1 lack of such collective bargaining agreements. The evaluation shall  
2 be completed and submitted to the appropriate senate and house of  
3 representatives appropriations subcommittees and the senate and  
4 house fiscal agencies within 9 months.

5       Sec. 208. Unless otherwise specified, the department shall use  
6 the Internet to fulfill the reporting requirements of this act.  
7 This shall include transmission of reports via electronic mail,  
8 including a link to the Internet site, to the recipients identified  
9 for each reporting requirement, or it may include placement of  
10 reports on the Internet or Intranet site. On an annual basis, the  
11 department shall provide a cumulative listing of the reports to the  
12 house and senate appropriations subcommittees and the house and  
13 senate fiscal agencies and policy offices.

14       Sec. 209. Funds appropriated in part 1 shall not be used for  
15 the purchase of foreign goods or services, or both, if  
16 competitively priced and comparable quality American goods or  
17 services, or both, are available. Preference should be given to  
18 goods or services, or both, manufactured or provided by Michigan  
19 businesses if they are competitively priced and of comparable  
20 value.

21       Sec. 210. The director shall take all reasonable steps to  
22 ensure businesses in deprived and depressed communities compete for  
23 and perform contracts to provide services or supplies, or both. The  
24 director shall strongly encourage firms with which the department  
25 contracts to subcontract with certified businesses in depressed and  
26 deprived communities for services, supplies, or both.

27       Sec. 212. In addition to funds appropriated in part 1 for all



1 programs and services, there is appropriated for write-offs of  
2 accounts receivable, deferrals, and for prior year obligations in  
3 excess of applicable prior year appropriations, an amount equal to  
4 total write-offs and prior year obligations, but not to exceed  
5 amounts available in prior year revenues or current year revenues  
6 that are in excess of the authorized amount.

7       Sec. 213. (1) The department may retain all of the state's  
8 share of food assistance overissuance collections as an offset to  
9 general fund/general purpose costs. Retained collections shall be  
10 applied against federal funds deductions in all appropriation units  
11 where department costs related to the investigation and recoupment  
12 of food assistance overissuances are incurred. Retained collections  
13 in excess of such costs shall be applied against the federal funds  
14 deducted in the executive operations appropriation unit.

15       (2) The department shall report to the legislature during the  
16 senate and house budget hearings on the status of the food stamp  
17 error rate. The report shall include at least all of the following:

18       (a) An update on federal sanctions and federal requirements  
19 for reinvestment due to the food stamp error rate.

20       (b) Review of the status of training for employees who  
21 administer the food assistance program.

22       (c) An outline of the past year's monthly status of worker to  
23 food stamp cases and monthly status of worker to food stamp  
24 applications.

25       (d) Information detailing the effect and change in staffing  
26 due to the early retirement option.

27       (e) Corrective action through policy, rules, and programming





1 being taken to reduce the food stamp error rate.

2 (f) Any other information regarding the food stamp error rate,  
3 including information pertaining to technology and computer  
4 applications used for the food assistance program.

5 Sec. 214. (1) The department shall submit a report to the  
6 chairpersons of the senate and house appropriations subcommittees  
7 on the department budget, the senate and house fiscal agencies and  
8 policy offices, and the state budget director on the details of  
9 allocations within program budgeting line items and within the  
10 salaries and wages line items in all appropriation units. The  
11 report shall include a listing, by account, dollar amount, and fund  
12 source, of salaries and wages; longevity and insurance; retirement;  
13 contractual services, supplies, and materials; equipment; travel;  
14 and grants within each program line item appropriated for the  
15 fiscal year ending September 30, 2007. With regard to federal  
16 appropriations, for each program line item funded by no more than 3  
17 federal funding sources, the department shall provide estimates of  
18 the allocation of the appropriation for each specific federal  
19 funding source.

20 (2) On a bimonthly basis, the department shall report on the  
21 number of FTEs in pay status by type of staff.

22 Sec. 215. If a legislative objective of this act or the social  
23 welfare act, 1939 PA 280, MCL 400.1 to 400.119b, cannot be  
24 implemented without loss of federal financial participation because  
25 implementation would conflict with or violate federal regulations,  
26 the department shall notify the state budget director, the house  
27 and senate appropriations committees, and the house and senate



1 fiscal agencies and policy offices of that fact.

2 Sec. 217. (1) Due to the current budgetary problems in this  
3 state, out-of-state travel shall be limited to situations in which  
4 1 or more of the following conditions apply:

5 (a) The travel is required by legal mandate or court order or  
6 for law enforcement purposes.

7 (b) The travel is necessary to protect the health or safety of  
8 Michigan citizens or visitors or to assist other states in similar  
9 circumstances.

10 (c) The travel is necessary to produce budgetary savings or to  
11 increase state revenues, including protecting existing federal  
12 funds or securing additional federal funds.

13 (d) The travel is necessary to comply with federal  
14 requirements.

15 (e) The travel is necessary to secure specialized training for  
16 staff that is not available within this state.

17 (f) The travel is financed entirely by federal or nonstate  
18 funds.

19 (2) If out-of-state travel is necessary but does not meet 1 or  
20 more of the conditions in subsection (1), the state budget director  
21 may grant an exception to allow the travel. Any exceptions granted  
22 by the state budget director shall be reported on a monthly basis  
23 to the senate and house standing committees on appropriations.

24 (3) Not later than January 1 of each year, each department  
25 shall prepare a travel report listing all travel by classified and  
26 unclassified employees outside this state in the immediately  
27 preceding fiscal year that was funded in whole or in part with



1 funds appropriated in the department's budget. The report shall be  
2 submitted to the chairs and members of the house and senate  
3 appropriations committees, the fiscal agencies, and the state  
4 budget director. The report shall include the following  
5 information:

6 (a) The name of each person receiving reimbursement for travel  
7 outside this state or whose travel costs were paid by this state.

8 (b) The destination of each travel occurrence.

9 (c) The dates of each travel occurrence.

10 (d) A brief statement of the reason for each travel  
11 occurrence.

12 (e) The transportation and related costs of each travel  
13 occurrence, including the proportion funded with state general  
14 fund/general purpose revenues, the proportion funded with state  
15 restricted revenues, the proportion funded with federal revenues,  
16 and the proportion funded with other revenues.

17 (f) A total of all out-of-state travel funded for the  
18 immediately preceding fiscal year.

19 Sec. 218. (1) The department shall prepare an annual report on  
20 the TANF federal block grant. The report shall include projected  
21 expenditures for the current fiscal year, an accounting of any  
22 previous year funds carried forward, and a summary of all  
23 interdepartmental or interagency agreements relating to the use of  
24 TANF funds. The report shall be forwarded to the state budget  
25 director and the house and senate appropriations subcommittees on  
26 the department budget and the house and senate fiscal agencies and  
27 policy offices within 10 days after presentation of the executive

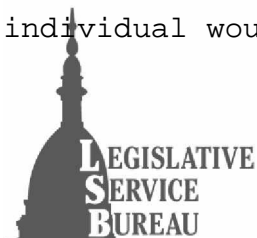


1 budget.

2 (2) The state budget director shall give prior written notice  
3 to the members of the house and senate appropriations subcommittees  
4 for the department and to the house and senate fiscal agencies and  
5 policy offices of any proposed changes in utilization or  
6 distribution of TANF funding or the distribution of TANF  
7 maintenance of effort spending relative to the amounts reflected in  
8 the annual appropriations acts of all state agencies where TANF  
9 funding is appropriated. The written notice shall be given not less  
10 than 30 days before any changes being made in the funding  
11 allocations. This prior notice requirement also applies to new  
12 plans submitted in response to federal TANF reauthorization or  
13 replacement by an equivalent federal law.

14 Sec. 220. (1) In contracting with faith-based organizations  
15 for mentoring or supportive services, and in all contracts for  
16 services, the department shall ensure that no funds provided  
17 directly to institutions or organizations to provide services and  
18 administer programs shall be used or expended for any sectarian  
19 activity, including sectarian worship, instruction, or  
20 proselytization.

21 (2) If an individual requests the service and has an objection  
22 to the religious character of the institution or organization from  
23 which the individual receives or would receive services or  
24 assistance, the department shall provide the individual within a  
25 reasonable time after the date of the objection with assistance or  
26 services and which are substantially the same as the service the  
27 individual would have received from the organization.



1 (3) The department shall ensure that faith-based organizations  
2 are able to apply and compete for services, programs, or contracts  
3 that they are qualified and suitable to fulfill. The department  
4 shall not disqualify faith-based organizations solely on the basis  
5 of the religious nature of their organization or their guiding  
6 principles or statements of faith.

7 (4) The department shall follow guidelines related to faith-  
8 based involvement established in 42 USC 604a.

9 Sec. 221. If the revenue collected by the department from  
10 private and local sources exceeds the amount spent from amounts  
11 appropriated in part 1, the revenue may be carried forward, with  
12 approval from the state budget director, into the subsequent fiscal  
13 year.

14 Sec. 223. The department shall make a determination of  
15 Medicaid eligibility not later than 60 days after all information  
16 to make the determination is received from the applicant when  
17 disability is an eligibility factor. For all other Medicaid  
18 applicants, the department shall make a determination of Medicaid  
19 eligibility not later than 45 days after all information to make  
20 the determination is received from the applicant.

21 Sec. 224. The department shall approve or deny a Medicaid  
22 application for a patient of a nursing home within 45 days after  
23 the receipt of the necessary information.

24 Sec. 225. The department shall develop a rapid redetermination  
25 process for nursing home residents whose Medicaid stay is greater  
26 than 90 days. This process shall be implemented not later than  
27 September 30, 2008.



1       Sec. 227. The department, with the approval of the state  
2 budget director, is authorized to realign sources of financing  
3 authorizations in order to maximize temporary assistance for needy  
4 families' maintenance of effort countable expenditures. This  
5 realignment of financing shall not be made until 15 days after  
6 notifying the chairs of the house and senate appropriations  
7 subcommittees on the department budget and house and senate fiscal  
8 agencies, and shall not produce an increase or decrease in any  
9 line-item expenditure authorization.

10       Sec. 259. From the funds appropriated in part 1 for  
11 information technology, the department shall pay user fees to the  
12 department of information technology for technology-related  
13 services and projects. Such user fees shall be subject to  
14 provisions of an interagency agreement between the department and  
15 the department of information technology.

16       Sec. 262. The department, in conjunction with county  
17 department of human services boards of directors and the department  
18 of management and budget, shall continue to develop and implement a  
19 plan to assist local services delivery effectiveness and efficiency  
20 by maximizing use of state resources while responding to unique  
21 needs in geographic regions of the state. Savings resulting from  
22 the plan shall be allocated to county offices to fund additional  
23 frontline workers. The department shall submit the current  
24 consolidation plan to the house and senate appropriations  
25 subcommittees for the department budget by September 30, 2008.

26       Sec. 264. The department shall not take disciplinary action  
27 against an employee for communicating with a member of the



1 legislature or his or her staff.

2       Sec. 269. If title IV-D-related child support collections are  
3 escheated, the state budget director is authorized to adjust the  
4 sources of financing for the funds appropriated in part 1 for legal  
5 support contracts to reduce federal authorization by 66% of the  
6 escheated amount and increase general fund/general purpose  
7 authorization by the same amount. This budget adjustment is  
8 required to offset the loss of federal revenue due to the escheated  
9 amount being counted as title IV-D program income in accordance  
10 with federal regulations at 45 CFR 304.50.

11       Sec. 270. (1) The department shall continue to implement a  
12 plan to provide client-centered results-oriented programs and  
13 services for each of the following programs:

- 14       (a) Day care assistance.
- 15       (b) Family independence program.
- 16       (c) Adoption subsidy.
- 17       (d) Foster care.
- 18       (e) Juvenile justice services.
- 19       (f) Jobs, education, and training (JET) pilot program and  
20 other welfare reform activities.

21       (2) The plan shall include detailed information to be compiled  
22 on an annual basis by the department on the following for each  
23 program listed in subsection (1):

- 24       (a) The average cost per recipient served by the program.
- 25       (b) Measurable performance indicators for each program.
- 26       (c) Desired outcomes or results and goals for each program

27 that can be measured on an annual basis, or desired results for a



1 defined number of years.

2 (d) Monitored results for each program.

3 (e) Innovations for each program that may include savings or  
4 reductions in administrative costs.

5 (3) During the annual budget presentation, the department  
6 shall provide the senate and house appropriations subcommittees on  
7 the department budget the information listed in subsection (2).

8 Sec. 271. (1) The department shall report to the senate and  
9 house appropriations subcommittees on the department budget, the  
10 senate and house standing committees on human services, the senate  
11 and house fiscal agencies, the senate and house policy offices, and  
12 the state budget director on the progress of child and family  
13 services reviews (CFSR). The reviews, conducted in the state by the  
14 children's bureau of the United States department of health and  
15 human services, are intended to assess the department's compliance  
16 with the adoption and safe families act of 1997, Public Law 105-89,  
17 111 Stat. 2115, with the ultimate goal of improving the state child  
18 welfare system and the safety, permanency, and child and family  
19 service outcomes to children and families. The report shall be  
20 submitted January 1 and July 1.

21 (2) The report required under subsection (1) shall include the  
22 findings and progress of all of the following:

23 (a) Changes made by the courts with respect to court forms and  
24 court rules to meet the statutory requirement.

25 (b) Department policy changes within the areas of foster care,  
26 juvenile justice, and adoption to meet the statutory requirements.

27 (c) Recommendations made by a workgroup composed of department





1 and other agency stakeholders.

2 (d) A summary of the 7 systemic factors that determine the  
3 state's compliance with the adoption and safe families act of 1997,  
4 Public Law 105-89, 111 Stat. 2115.

5 (e) A summary of the 7 data outcome indicators used to  
6 determine the state's compliance with the adoption and safe  
7 families act of 1997, Public Law 105-89, 111 Stat. 2115, including  
8 the length of time required to achieve family reunification for  
9 foster care cases.

10 (f) Federal recommendations made to the state, including  
11 recommendations to the courts.

12 (g) Federal penalties assessed against the state for  
13 noncompliance.

14 (h) Status of the performance improvement plan submitted to  
15 the federal government.

16 Sec. 272. (1) The department shall report to the senate and  
17 house appropriations subcommittees on the department budget, the  
18 senate and house standing committees on human services, the senate  
19 and house fiscal agencies, the senate and house policy offices, and  
20 the state budget director on the result of the title IV-E foster  
21 care eligibility reviews. The reviews, conducted in the state by  
22 the United States department of health and human services, are  
23 intended to assess the department's compliance with the adoption  
24 and safe families act of 1997, Public Law 105-89, 111 Stat. 2115,  
25 ensuring the department's case files and payments records meet  
26 federal regulations, including standards on eligibility for  
27 placement reimbursement and the allowable payment rate. The report



1 shall be submitted January 1 and July 1.

2 (2) The report required under subsection (1) shall include the  
3 findings and progress of all of the following:

4 (a) Training programs conducted by the department, a  
5 university affiliate, the child welfare institute, the Michigan  
6 judicial institute, and any private agencies that have been  
7 authorized to provide training.

8 (b) Changes made by the courts on court forms and rules used  
9 in meeting the statutory requirements.

10 (c) Department policy changes that impact meeting the  
11 statutory requirements for day care assistance, family independence  
12 program, JET pilot, and foster care and adoption, including  
13 juvenile justice programs.

14 (d) Recommendations for better compliance with federal  
15 standards and increased eligibility for federal money made by a  
16 workgroup composed of representatives from the department and other  
17 departments, public and private agencies, and individual citizens.

18 (e) Federal recommendations submitted to the state, including  
19 recommendations to the courts.

20 (f) Federal penalties assessed against the state.

21 (g) Changes in policies or practices resulting in additional  
22 federal money, including how much additional federal money was  
23 received.

24 (h) Any federal warnings or notices of potential sanctions or  
25 penalties that may be imposed unless corrective state action is  
26 taken.

27 (i) Measures taken to prevent or avoid sanctions.



1       Sec. 273. (1) On a timely basis, the department shall report  
2 to the senate and house standing committees on human services and  
3 the senate and house appropriations subcommittees with oversight on  
4 the department budget regarding policy changes made to implement  
5 the provisions of enacted legislation, including the annual  
6 appropriation for the department budget.

7       (2) On an annual basis, the department shall provide a  
8 cumulative list of all policy changes in the following areas: child  
9 welfare services, child support, work first, work requirements,  
10 adult and child safety, local staff program responsibilities, and  
11 day care. The list shall be distributed to the senate and house  
12 appropriations subcommittees on the department budget, the senate  
13 and house standing committees dealing with human services, and the  
14 senate and house fiscal agencies and policy offices.

15       (3) Not later than July 1, 2008, the department shall report  
16 to the senate and house appropriations subcommittees on the  
17 department budget, the senate and house fiscal agencies and policy  
18 offices, and the state budget director with copies of the annual  
19 regulatory plan submitted to the state office of administrative  
20 hearings and rules pursuant to section 53 of the administrative  
21 procedures act of 1969, 1969 PA 306, MCL 24.253. The annual  
22 regulatory reform plan shall not include proposals for rule  
23 promulgation that exceed the statutory authority granted to the  
24 department.

25       (4) Money for the preparation of the regulatory reform plan  
26 shall be provided solely in section 102 of the funds appropriated  
27 in part 1. Money appropriated in part 1 shall not be used to



1 prepare regulatory plans or promulgate rules that would exceed  
 2 statutory authority granted to the department. If the department  
 3 fails to comply with the provisions of section 39(1) of the  
 4 administrative procedures act of 1969, 1969 PA 306, MCL 24.239, no  
 5 money shall be expended for the further preparation of that  
 6 regulatory plan or the promulgation of rules for that regulatory  
 7 plan.

8 (5) Money appropriated in part 1 shall not be used to prepare  
 9 a regulatory plan or promulgate rules that fail to reduce the  
 10 disproportionate economic impact on small businesses as required in  
 11 section 40 of the administrative procedures act of 1969, 1969 PA  
 12 306, MCL 24.240.

13 (6) Money appropriated in part 1 shall not be used to prepare  
 14 a regulatory plan or promulgate rules that grant preferences to  
 15 private providers of services based on whether that private  
 16 provider has a collective bargaining agreement with its workers.

17 Sec. 274. The department shall report to the house and senate  
 18 appropriations subcommittees on the department budget, the senate  
 19 and house fiscal agencies, the senate and house policy offices, and  
 20 the state budget director as part of the annual budget presentation  
 21 on each federal grant this state was eligible to apply for, listing  
 22 both grants applied for and not applied for. This report will cover  
 23 grants exceeding \$500,000.00, related to fatherhood and marriage  
 24 initiatives, teen pregnancy prevention, kinship care, before- and  
 25 after-school programs, family preservation and prevention, homeless  
 26 prevention, and youth in transition.

27 Sec. 278. (1) The department shall contract with 2 or more



1 private consulting firms for revenue maximization services to  
2 increase federal claims and federal funds and to increase state  
3 restricted funds.

4 (2) A contractor shall not charge the department a fee for  
5 services provided under subsection (1). However, a contractor shall  
6 receive a negotiated percentage of the savings achieved from  
7 implementation of a recommendation made by the contractor under  
8 this section.

9 (3) The department shall allocate any savings within the  
10 department for additional staff to implement the proposed child  
11 welfare improvement plan.

12 (4) The department shall report quarterly to the senate and  
13 house appropriations subcommittees on the department budget, senate  
14 and house standing committees on human services matters, senate and  
15 house fiscal agencies and policy offices, and state budget director  
16 on the status of revenue maximization efforts and the amounts of  
17 savings achieved.

18 Sec. 279. All contracts relating to human services entered  
19 into or renewed by the department on or after October 1, 2007 shall  
20 be performance-based contracts that employ a client-centered  
21 results-oriented process that is based on measurable performance  
22 indicators and desired outcomes and includes the annual assessment  
23 of the quality of services provided. During the annual budget  
24 presentation, the department shall provide the senate and house  
25 appropriations subcommittees on the department budget with the  
26 measurable performance indicators, desired outcomes, and the  
27 assessment of the quality of services provided for each contract



1 relating to human services entered into by the department during  
2 fiscal year 2007-2008.

3 Sec. 280. The department shall submit a report to the house  
4 and senate appropriations subcommittees for the department budget,  
5 the house and senate fiscal agencies, the house and senate policy  
6 offices, and the state budget director by February 1, 2008 on the  
7 status of the department's information technology improvement  
8 initiatives, including the "Bridges" integration project. The  
9 report shall include details on the following:

10 (a) The amounts expended during the previous fiscal year and  
11 the first quarter of the current fiscal year by project.

12 (b) The amounts of appropriations carried forward from  
13 previous fiscal years for information technology improvement  
14 projects.

15 (c) A narrative describing the projects and activities  
16 undertaken during the previous fiscal year and during the first  
17 quarter of the current fiscal year.

18 Sec. 281. (1) The department shall report to the legislature,  
19 fiscal agencies, and office of the auditor general quarterly,  
20 beginning January 1, 2008, with a summary of final decisions and  
21 recommendations rendered by the state office of administrative  
22 hearings and rules administrative law judges, administrative law  
23 managers, or hearing officers for cases under the jurisdiction of  
24 the department.

25 (2) The report shall be organized by case types.

26 (3) The report shall indicate whether the administrative law  
27 judge, administrative law manager, or hearing officer made a final



1 decision or recommended a decision in favor of the department in  
2 whole or in part or if the parties negotiated a settlement. The  
3 report shall also delineate if the director agreed or disagreed  
4 with the recommendation of the administrative law judge,  
5 administrative law manager, or hearing officer.

6 (4) The report shall include how long each case took from the  
7 date of the original filing until the issuance of a decision or  
8 recommendation by the administrative law judge, administrative law  
9 manager, or hearing officer.

10 Sec. 283. Amounts appropriated in part 1 for information  
11 technology may be designated as work projects and carried forward  
12 to support technology projects under the direction of the  
13 department of information technology. Funds designated in this  
14 manner are not available for expenditure until approved as work  
15 projects under section 451a of the management and budget act, 1984  
16 PA 431, MCL 18.1451a.

17 Sec. 284. (1) In addition to the funds appropriated in part 1,  
18 there is appropriated an amount not to exceed \$200,000,000.00 for  
19 federal contingency funds. These funds are not available for  
20 expenditure until they have been transferred to another line item  
21 in this act under section 393(2) of the management and budget act,  
22 1984 PA 431, MCL 18.1393.

23 (2) In addition to the funds appropriated in part 1, there is  
24 appropriated an amount not to exceed \$5,000,000.00 for state  
25 restricted contingency funds. These funds are not available for  
26 expenditure until they have been transferred to another line item  
27 in this act under section 393(2) of the management and budget act,



1 1984 PA 431, MCL 18.1393.

2 (3) In addition to the funds appropriated in part 1, there is  
3 appropriated an amount not to exceed \$20,000,000.00 for local  
4 contingency funds. These funds are not available for expenditure  
5 until they have been transferred to another line item in this act  
6 under section 393(2) of the management and budget act, 1984 PA 431,  
7 MCL 18.1393.

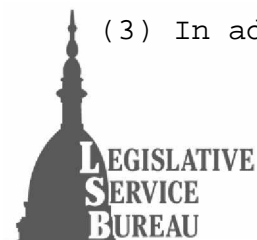
8 (4) In addition to the funds appropriated in part 1, there is  
9 appropriated an amount not to exceed \$20,000,000.00 for private  
10 contingency funds. These funds are not available for expenditure  
11 until they have been transferred to another line item in this act  
12 under section 393(2) of the management and budget act, 1984 PA 431,  
13 MCL 18.1393.

#### 14 EXECUTIVE OPERATIONS

15 Sec. 303. (1) Of the funds appropriated in part 1 for  
16 community services block grants, \$2,350,000.00 represents TANF  
17 funding earmarked for community action agencies.

18 (2) In addition to the money referred to in subsection (1),  
19 the department shall award up to \$500,000.00 in competitive grants  
20 to organizations based on their education and outreach with the  
21 earned income tax credit (EITC). Organizations shall be given  
22 preference based on their emphasis on clients who have never filed  
23 for the EITC, clients with children, and clients for whom receipt  
24 of the EITC will make it easier for them to move off public  
25 assistance.

26 (3) In addition to the money referred to in subsection (1),





1 the department shall award up to \$250,000.00 in competitive grants  
2 to organizations that seek to provide programs combining education  
3 on the EITC with programs building skills for strong marriages,  
4 fatherhood, or parenting.

5 Sec. 306. Of the funds appropriated in part 1 for  
6 demonstration projects, the department shall allocate \$200,000.00  
7 to support the kinship care resource center administered by the  
8 Michigan state university school of social work. Funding is  
9 contingent upon the center's reporting of necessary data to the  
10 department to demonstrate TANF or maintenance of effort  
11 eligibility. The center shall submit quarterly reports to the  
12 department detailing expenditures from this appropriation and  
13 reviewing program outcomes including the number of families served  
14 through counseling, respite care, and other services as well as the  
15 number provided with information on kinship care. The department  
16 shall submit each quarterly report to the house and senate  
17 appropriations subcommittees on the department budget by January  
18 15, April 15, July 15, and October 15 of each year.

19 Sec. 307. (1) Of the money appropriated in part 1 for  
20 demonstration projects, \$100,000.00 shall be distributed as  
21 provided in subsection (2). The amount distributed under this  
22 subsection shall not exceed 50% of the total operating expenses of  
23 the program described in subsection (2), with the remaining 50%  
24 paid by local United Way organizations and other nonprofit  
25 organizations and foundations.

26 (2) Money distributed under subsection (1) shall be  
27 distributed to Michigan 2-1-1, a nonprofit corporation organized



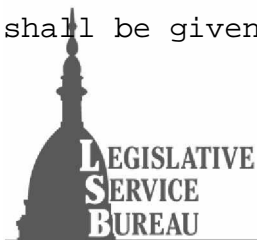
1 under the laws of this state that is exempt from federal income tax  
2 under section 501(c)(3) of the internal revenue code, 26 USC  
3 501(c)(3), and whose mission is to coordinate and support a  
4 statewide 2-1-1 system. Michigan 2-1-1 shall use the money only to  
5 fulfill the Michigan 2-1-1 business plan adopted by Michigan 2-1-1  
6 in January 2005.

7 (3) Michigan 2-1-1 shall report annually to the department and  
8 the house and senate standing committees with primary jurisdiction  
9 over matters relating to human services and telecommunications on  
10 2-1-1 system performance, including, but not limited to, call  
11 volume by community health and human service needs and unmet needs  
12 identified through caller data and customer satisfaction metrics.

13 Sec. 308. From the money appropriated in part 1 for  
14 demonstration projects, \$200,000.00 shall be expended on a contract  
15 with the University of Detroit Mercy to provide legal services for  
16 disabled veterans who are seeking eligibility under federal  
17 disability programs, including federal supplemental security  
18 income. The contract shall fund a statewide effort by the  
19 university through use of its mobile office to deliver these legal  
20 services.

#### 21 **ADULT AND FAMILY SERVICES**

22 Sec. 415. (1) In expending money appropriated in part 1 for  
23 the fatherhood initiative, the department may contract with  
24 independent contractors from various counties, including, but not  
25 limited to, faith-based and nonprofit organizations. Preference  
26 shall be given to independent contractors that provide at least 10%



1 in matching funds, through any combination of local, state, or  
2 federal funds or in-kind or other donations. However, an  
3 independent contractor that cannot secure matching funds shall not  
4 be excluded from consideration for the fatherhood program.

5 (2) The department may choose providers that will work with  
6 counties to help eligible fathers under TANF guidelines to acquire  
7 skills that will enable them to increase their responsible behavior  
8 toward their children and the mothers of their children. An  
9 increase of financial support for their children should be a very  
10 high priority as well as emotional support.

11 (3) A fatherhood initiative program established under this  
12 section shall minimally include at least 3 of the following  
13 components: promoting responsible, caring, and effective parenting  
14 through counseling; mentoring and parental education; enhancing the  
15 abilities and commitment of unemployed or low-income fathers to  
16 provide material support for their families and to avoid or leave  
17 welfare programs by assisting them to take advantage of job search  
18 programs, job training, and education to improve their work habits  
19 and work skills; improving fathers' ability to effectively manage  
20 family business affairs by means such as education, counseling, and  
21 mentoring in household matters; infant care; effective  
22 communication and respect; anger management; children's financial  
23 support; and drug-free lifestyle.

24 (4) The department is authorized to make allocations of TANF  
25 funds, of not more than 20% per county, under this section only to  
26 agencies that report necessary data to the department for the  
27 purpose of meeting TANF eligibility reporting requirements.



1 (5) Upon receipt of the promotion of responsible fatherhood  
2 funds from the United States department of health and human  
3 services, the department shall use the program criteria set forth  
4 in subsection (3) to implement the program with the federal funds.

5 Sec. 416. (1) In expending money appropriated in part 1 for  
6 the marriage initiative, the department may contract with  
7 independent contractors from various counties, including, but not  
8 limited to, faith-based and nonprofit organizations. Preference  
9 shall be given to independent contractors that provide at least 10%  
10 in matching funds, through any combination of local, state, or  
11 federal funds or in-kind or other donations. However, an  
12 independent contractor that cannot secure matching funds shall not  
13 be excluded from consideration for a marriage initiative program.

14 (2) The department may choose providers to work with counties  
15 that will work to support and strengthen marriages of those  
16 eligible under the TANF guidelines. The areas of work may include,  
17 but are not limited to, marital counseling, domestic violence  
18 counseling, family counseling, effective communication, and anger  
19 management as well as parenting skills to improve the family  
20 structure.

21 (3) A marriage initiative program established under this  
22 section may include, but is not limited to, 1 or more of the  
23 following: public advertising campaigns on the value of marriage  
24 and the skills needed to increase marital stability and health;  
25 education in high schools on the value of marriage, relationship  
26 skills, and budgeting; premarital, marital, family, and domestic  
27 violence counseling; effective communication; marriage mentoring



1 programs which use married couples as role models and mentors in  
2 at-risk communities; anger management; and parenting skills to  
3 improve the family structure.

4 (4) The department is authorized to make allocations of TANF  
5 funds, of not more than 20% per county, under this section only to  
6 agencies that report necessary data to the department for the  
7 purpose of meeting TANF eligibility reporting requirements.

8 (5) Upon receipt of the healthy marriage promotion grant from  
9 the United States department of health and human services, the  
10 department shall use the program criteria set forth in subsection  
11 (3) to implement the program with the federal funds.

12 Sec. 418. From the funds appropriated in part 1 for employment  
13 and training support services, the department may expand the  
14 availability of individual development accounts (IDAs) with  
15 \$200,000.00 for allocation to qualified IDA programs established  
16 through the Michigan IDA partnership to serve TANF eligible  
17 households in Michigan. The Michigan IDA partnership shall  
18 encourage each TANF eligible household served to claim the federal  
19 earned income tax credit (EITC) and to incorporate all or part of  
20 any tax credit received in the household's IDA savings plan, and  
21 shall provide the household with information concerning available  
22 free tax assistance resources. In addition, the Michigan IDA  
23 partnership and its program sites shall participate in community  
24 EITC coalitions established under the plan to increase the EITC  
25 participation of TANF families referenced in section 666. The same  
26 amount shall be appropriated annually to further expand IDA  
27 opportunities to low-income families to become more financially



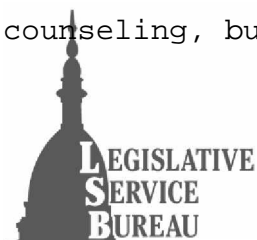
1 self-sufficient through financial education, saving, wise  
2 investment in home ownership, postsecondary education, small  
3 business development, or a combination of those programs.

4 Sec. 419. The department in collaboration with the Michigan  
5 State University center for urban affairs and its partner  
6 organizations, the Michigan credit union league and the national  
7 federation of community development credit unions, shall further  
8 the work begun in fiscal year 1999-2000 that implemented the  
9 individual development accounts programs in the growing number of  
10 low-income designated credit unions, i.e., community development  
11 credit unions (CDCUs) located in this state's poorest communities.  
12 This further work will extend capacity-building and technical  
13 assistance services to existing and emerging CDCUs serving low-  
14 income populations and will include:

15 (a) Creation of a Michigan-based support system for the  
16 capacity-building of existing and emerging CDCUs serving low-income  
17 individuals and families, including development and testing of  
18 training, technical assistance, and professional development  
19 initiatives and related materials, and other capacity-building  
20 services to Michigan CDCUs.

21 (b) Other related support to assist existing and emerging  
22 CDCUs in becoming self-supporting institutions to assist  
23 impoverished Michigan residents in becoming economically  
24 independent.

25 (c) Training and technical assistance to CDCUs in the  
26 development of support services, such as economic literacy, credit  
27 counseling, budget counseling, and asset management programs for



1 low-income individuals and families.

2 Sec. 423. From the money appropriated in part 1 for crisis  
3 prevention and senior food aid projects, the department shall  
4 allocate not less than \$70,000.00 to assist this state's elderly  
5 population to participate in the food assistance program. The money  
6 may be used as state matching funds to acquire available United  
7 States department of agriculture funding to provide outreach  
8 program activities, such as eligibility screen and information  
9 services, as part of a statewide food stamp hotline.

10 **CHILD AND FAMILY SERVICES**

11 Sec. 501. The following goal is established by state law.  
12 During fiscal year 2007-2008, not more than 3,000 children  
13 supervised by the department shall remain in foster care longer  
14 than 24 months. The department shall give priority to reducing the  
15 number of children under 1 year of age in foster care. During the  
16 annual budget presentation, the department shall report on the  
17 number of children supervised by the department and by private  
18 agencies who remain in foster care between 12 and 24 months, and  
19 those who remain in foster care longer than 24 months.

20 Sec. 502. From the funds appropriated in part 1 for foster  
21 care, the department shall provide 50% reimbursement to Indian  
22 tribal governments for foster care expenditures for children who  
23 are under the jurisdiction of Indian tribal courts and who are not  
24 otherwise eligible for federal foster care cost sharing.

25 Sec. 503. The department shall continue adoption subsidy  
26 payments to families after the eighteenth birthday of an adoptee



1 who meets the following criteria:

2 (a) Has not yet graduated from high school or passed a high  
3 school equivalency examination.

4 (b) Is making progress toward completing high school.

5 (c) Has not yet reached his or her nineteenth birthday.

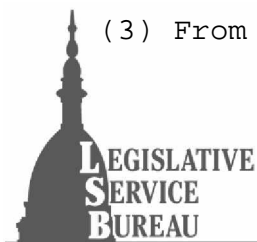
6 (d) Is not eligible for federal supplemental security income  
7 (SSI) payments.

8 Sec. 504. The department's ability to satisfy appropriation  
9 deducts in part 1 for foster care private collections shall not be  
10 limited to collections and accruals pertaining to services provided  
11 only in the current fiscal year but shall include revenues  
12 collected during the fiscal year in excess of the amount specified  
13 in part 1.

14 Sec. 508. (1) In addition to the amount appropriated in part 1  
15 for children's trust fund grants, money granted or money received  
16 as gifts or donations to the children's trust fund created by 1982  
17 PA 249, MCL 21.171 to 21.172, is appropriated for expenditure.

18 (2) The state child abuse and neglect prevention board may  
19 initiate a joint project with another state agency to the extent  
20 that the project supports the programmatic goals of both the state  
21 child abuse and neglect prevention board and the state agency. The  
22 department may invoice the state agency for shared costs of a joint  
23 project in an amount authorized by the state agency, and the state  
24 child abuse and neglect prevention board may receive and expend  
25 funds for shared costs of a joint project in addition to those  
26 authorized by part 1.

27 (3) From the funds appropriated in part 1 for the children's





1 trust fund, the department may utilize interest and investment  
2 revenue from the current fiscal year only for programs,  
3 administration, services, or all sanctioned by the child abuse and  
4 neglect prevention board.

5 (4) The department and the child abuse neglect and prevention  
6 board shall collaborate to ensure that administrative delays are  
7 avoided and the local grant recipients and direct service providers  
8 receive money in an expeditious manner. The department and board  
9 shall seek to have the children's trust fund grants distributed no  
10 later than October 31, 2007.

11 Sec. 509. (1) From the funds appropriated in part 1, the  
12 department shall not expend funds to preserve or reunite a family,  
13 unless there is a court order requiring the preservation or  
14 reuniting of the family or the court denies the petition, if either  
15 of the following would result:

16 (a) A child would be living in the same household with a  
17 parent or other adult who has been convicted of criminal sexual  
18 conduct against a child.

19 (b) A child would be living in the same household with a  
20 parent or other adult against whom there is a substantiated charge  
21 of sexual abuse against a child.

22 (2) Notwithstanding subsection (1), this section shall not  
23 prohibit counseling or other services provided by the department,  
24 if the service is not directed toward influencing the child to  
25 remain in an abusive environment, justifying the actions of the  
26 abuser, or reuniting the family.

27 Sec. 510. The department shall not be required to put up for



1 bids contracts with service providers if currently only 1 provider  
2 in the service area exists.

3 Sec. 513. (1) The department and representatives of private,  
4 licensed child caring institutions shall collaborate in  
5 establishing a child placement review board to oversee child  
6 placements and to ensure that the conditions in subsection (2) are  
7 met. Representation on the board shall be divided equally between  
8 the department and private child caring institutions.

9 (2) The department shall not expend funds appropriated in part  
10 1 to pay for the direct placement by the department of a child in  
11 an out-of-state facility or for reimbursement to any county for a  
12 court-administered placement in an out-of-state facility unless all  
13 of the following conditions are met:

14 (a) There is no appropriate placement available in this state,  
15 while an out-of-state placement does exist within 100 miles of the  
16 child's home.

17 (b) The out-of-state facility meets all of the licensing  
18 standards of this state for a comparable facility.

19 (c) The out-of-state facility meets all of the applicable  
20 licensing standards of the state in which it is located.

21 (d) The department has done an on-site visit to the out-of-  
22 state facility, reviewed the facility records, and reviewed  
23 licensing records and reports on the facility and believes that the  
24 facility is an appropriate placement for the child.

25 (e) The out-of-state facility is a nonprofit organization.

26 (f) The department or the relevant court provides a written  
27 explanation of the special need that exists that cannot be



1 adequately met by a Michigan facility and thus warrants the  
2 placement in the out-of-state facility.

3 (g) The child placement review board established in subsection  
4 (1) determines that there is no appropriate placement available in  
5 this state for the child based on the information provided to the  
6 board by the department or court.

7 (h) An appropriate title IV-E eligibility assessment has been  
8 completed for the placement.

9 (i) The out-of-state facility does not use a for-profit  
10 management group or contract with a for-profit organization for its  
11 management.

12 (3) The department shall submit a report by February 1 of each  
13 year on the number of children who were newly placed in out-of-  
14 state facilities by the department, by a county, or by the courts  
15 during the previous fiscal year, the number of Michigan children  
16 residing in such facilities at the time of the report, and the  
17 total cost and average per diem cost of these out-of-state  
18 placements to the state, and a list of each Michigan county from  
19 which children were placed in these facilities listing the number  
20 of out-of-state placements for each county.

21 (4) The auditor general shall conduct an audit of out-of-state  
22 placements during the fiscal years 2005, 2006, and 2007 to  
23 determine if the department has properly enforced the criteria set  
24 forth in section 513 of the relevant budget acts for those years  
25 and to determine if payments to counties were made for cases that  
26 were not eligible under the provisions of section 513 of those  
27 budget acts. The audit should determine if any reimbursement is



1 owed to the state.

2 Sec. 514. The department shall make a comprehensive report  
3 concerning children's protective services (CPS) to the legislature,  
4 including the senate and house policy offices and the state budget  
5 director, by January 1, 2008, that shall include all of the  
6 following:

7 (a) Statistical information including, at a minimum, all of  
8 the following:

9 (i) The total number of reports of abuse or neglect  
10 investigated under the child protection law, 1975 PA 238, MCL  
11 722.621 to 722.638, and the number of cases classified under  
12 category I or category II and the number of cases classified under  
13 category III, category IV, or category V.

14 (ii) Characteristics of perpetrators of abuse or neglect and  
15 the child victims, such as age, relationship, socioeconomic status,  
16 race, and ethnicity and whether the perpetrator exposed the child  
17 victim to criminal drug activity, including the manufacture of  
18 illicit drugs, that exposed the child victim to significant health  
19 and environmental hazards.

20 (iii) The mandatory reporter category in which the individual  
21 who made the report fits, or other categorization if the individual  
22 is not within a group required to report under the child protection  
23 law, 1975 PA 238, MCL 722.621 to 722.638.

24 (b) New policies related to children's protective services  
25 including, but not limited to, major policy changes and court  
26 decisions affecting the children's protective services system  
27 during the immediately preceding 12-month period.



1 (c) The information contained in the report required under  
2 section 8d(5) of the child protection law, 1975 PA 238, MCL  
3 722.628d, on cases classified under category III.

4 (d) The department policy, or changes to the department  
5 policy, regarding termination of parental rights or foster  
6 placement for children who have been exposed to the production of  
7 illicit drugs in their dwelling place or a place frequented by the  
8 children.

9 (e) The department policy, or changes to the department  
10 policy, regarding children who have been exposed to the production  
11 or manufacture of methamphetamines.

12 Sec. 515. (1) From the money appropriated in part 1 for foster  
13 care payments and Wayne County foster care payments and related  
14 administrative costs, the department shall use performance-based  
15 contracts for foster care services with private, nonprofit agencies  
16 and other service providers that provided satisfactory services  
17 under contract before January 1, 2007. The goal of these contracts  
18 shall be to provide incentives for agencies to improve services for  
19 children in foster care, but especially the process of finding them  
20 quality permanent placements and reducing their time as foster  
21 children. Not later than March 30, 2008, the department shall  
22 provide an update to the senate and house appropriations  
23 subcommittees on the department budget, the senate and house fiscal  
24 agencies and policy offices, and the office of the state budget on  
25 benchmarks developed in conjunction with private providers for  
26 these performance contracts, results agencies have achieved in  
27 improving permanency placements, and recommendations for further



1 improvements for foster care services across the entire state.

2 (2) Performance-based contracts under subsection (1) shall  
3 include the following:

4 (a) When aggregated, the contracts shall provide coverage for  
5 all areas of this state with an emphasis on use of community-based  
6 services.

7 (b) Service providers shall not refuse a client or resident  
8 for whom they have the ability, capacity, and resources to care.

9 (c) Service providers shall maintain or achieve national  
10 accreditation for the services or activities they will provide.

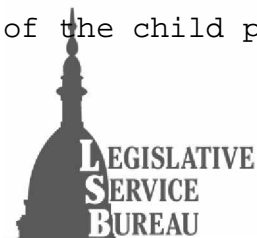
11 (d) Service providers shall be nonprofit organizations.

12 (e) Service providers shall not use for-profit management  
13 groups or contract with for-profit organizations for their  
14 management.

15 (f) Service providers shall have clear performance standards  
16 for staff and caseworkers regarding timely and professional  
17 interactions with courts that have jurisdiction over children and  
18 services provided to children.

19 (g) Service providers shall establish or maintain quality  
20 assurance programs or dispute resolution programs to resolve  
21 caseworker performance problems identified by courts.

22 Sec. 517. (1) From the funds appropriated in part 1, the  
23 department is authorized to allocate funds to multipurpose  
24 collaborative bodies. Priority for activities and services will be  
25 given to at-risk children and families and cases classified by the  
26 department as category III or category IV under sections 8 and 8d  
27 of the child protection law, 1975 PA 238, MCL 722.628 and 722.628d.



1 (2) Funds appropriated in part 1 for zero to three may be used  
2 to fund community-based collaborative prevention services designed  
3 to do any of the following:

4 (a) Foster positive parenting skills especially for parents of  
5 children under 3 years of age.

6 (b) Improve parent/child interaction.

7 (c) Promote access to needed community services.

8 (d) Increase local capacity to serve families at risk.

9 (e) Improve school readiness.

10 (f) Support healthy family environments that discourage  
11 alcohol, tobacco, and other drug use.

12 (3) The appropriation provided for in subsection (2) is to  
13 fund secondary prevention programs as defined in the children's  
14 trust fund's preapplication materials for fiscal year 2007-2008  
15 direct services grants.

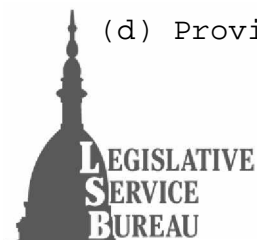
16 (4) Projects funded through the appropriation provided for in  
17 subsection (2) shall meet all of the following criteria:

18 (a) Be awarded through a joint request for proposal process  
19 established by the department in conjunction with the children's  
20 trust fund and the state human services directors.

21 (b) Be secondary prevention initiatives. Funds are not  
22 intended to be expended in cases in which neglect or abuse has been  
23 substantiated.

24 (c) Demonstrate that the planned services are part of a  
25 community's integrated comprehensive family support strategy  
26 endorsed by the local multipurpose collaborative body.

27 (d) Provide a 25% local match of which not more than 10% is



1 in-kind goods or services unless the maximum percentage is waived  
 2 by the state human services directors.

3 (5) As used in this section, "state human services directors"  
 4 means the director of the department of community health, the  
 5 director of the department of education, and the director of the  
 6 department.

7 Sec. 523. (1) From the funds appropriated in part 1 for youth  
 8 in transition, domestic violence prevention and treatment, and  
 9 teenage parent counseling, the department is authorized to make  
 10 allocations of TANF funds only to the agencies that report  
 11 necessary data to the department for the purpose of meeting TANF  
 12 eligibility reporting requirements.

13 (2) The agencies receiving teenage parent counseling TANF  
 14 funds shall report to the department on both of the following:

15 (a) Whether program services have impacted the following issue  
 16 areas:

17 (i) The number of teen participants having fewer repeat  
 18 pregnancies.

19 (ii) The completion rate for high school diplomas or GEDs.

20 (iii) The teen participants' rate of self-sufficiency.

21 (iv) The number of father participants.

22 (b) How many teens participate in the programs and have access  
 23 to any or all of the following services:

24 (i) Adult supervised, supportive living arrangements.

25 (ii) Pregnancy prevention services or referrals.

26 (iii) Required completion of high school or receipt of GED,  
 27 including child care to assist young mothers to focus on





1 achievement.

2 (iv) Support services, including, but not limited to, health  
3 care, transportation, and counseling.

4 (v) Parenting and life-skills training.

5 (vi) Education, job training, and employment services.

6 (vii) Transition services in order to achieve self-sufficiency.

7 (viii) Instruction on self-protection.

8 (3) Agencies receiving teenage parent counseling funds shall  
9 provide at least 10% in matching funds, through any combination of  
10 local, state, or federal funds or in-kind or other donations.

11 Sec. 524. The department shall report on prevention programs  
12 for which funds are appropriated in part 1 to the senate and house  
13 appropriations subcommittees on the department budget during the  
14 annual budget presentation. The report shall contain all of the  
15 following for each program:

16 (a) The average cost per recipient served.

17 (b) Measurable performance indicators.

18 (c) Desired outcomes or results and goals that can be measured  
19 on an annual basis, or desired results for a defined number of  
20 years.

21 (d) Monitored results.

22 (e) Innovations that may include savings or reductions in  
23 administrative costs.

24 Sec. 531. (1) From the funds appropriated in part 1, the  
25 department shall make claims for and pay to local units of  
26 government a portion of federal title IV-E revenues earned as a  
27 result of eligible costs incurred by local units of government.



1 (2) The department shall make payments under subsection (1)  
2 only to local units of government that have entered into formal  
3 agreements with the department. The agreement must include all of  
4 the following:

5 (a) Provide for the department to retain 50% of the federal  
6 revenues earned.

7 (b) Provide for department review and approval of the local  
8 unit's plan for allocating costs to title IV-E.

9 (c) Provide for the local unit of government to submit bills  
10 at times, and in the format, specified by the department.

11 (d) Specify that the local unit of government is responsible  
12 for meeting all federal title IV-E regulation requirements,  
13 including reporting requirements, with regard to the activities and  
14 costs being billed to title IV-E.

15 (e) Provide for the local unit of government to pay the state  
16 for the amount of any federal revenues paid to the local unit that  
17 may subsequently be disallowed by the federal government.

18 (f) Be signed by the director of the department, the chief  
19 executive officer of the local government agency providing the  
20 title IV-E services, the chair of the county board of  
21 commissioners, and the chief executive officer of the county.

22 Sec. 532. (1) The department, in collaboration with  
23 representatives of private child and family agencies, shall revise  
24 and improve the annual licensing review process and the annual  
25 contract compliance review process for child placing agencies and  
26 child caring institutions. The improvement goals shall be safety  
27 and care for children. Improvements to the review process shall be



1 directed toward alleviating administrative burdens so that agency  
2 resources may be focused on children. The revision shall include  
3 identification of duplicative staff activities and information  
4 sought from child placing agencies and child caring institutions in  
5 the annual review process. The department shall report to the  
6 senate and house appropriations subcommittees on the department  
7 budget, the senate and house fiscal agencies and policy offices,  
8 and the state budget director on or before January 15, 2008 on the  
9 findings of the annual licensing review.

10 (2) The department shall conduct licensing reviews no more  
11 than once every 2 years for child placing agencies and child caring  
12 institutions that are nationally accredited and have no outstanding  
13 violations.

14 (3) The department shall develop a plan to license placements  
15 of foster children living with relatives to ensure consistent high  
16 standards of care for those children. The department shall report  
17 on the plan to the senate and house appropriations subcommittees  
18 with oversight over the department budget, the senate and house  
19 standing policy committees generally concerned with children's  
20 issues, the senate and house fiscal agencies and policy offices,  
21 and the state budget director during the annual budget process.

22 Sec. 533. (1) The department shall make payments to private  
23 nonprofit child placing facilities for title IV-E out-of-home care  
24 services within 30 days of receiving all necessary documentation  
25 from those agencies.

26 (2) The department shall explore various types of automated  
27 payments to private nonprofit child placing facilities to improve



1 speed and accuracy of payments.

2 Sec. 536. The department shall not implement a geographically  
3 based assignment system for foster care unless determined to be in  
4 the best interests of the foster children.

5 Sec. 537. (1) The department shall offer private nonprofit  
6 licensed agencies the first opportunity to provide foster care  
7 services for new foster children entering the system in a county  
8 when the department's direct care caseload for foster care is  
9 greater than 20 cases per foster care worker. This section only  
10 applies if the private nonprofit licensed agency has an appropriate  
11 placement available at the time the child needs to be placed, the  
12 placement is not contrary to the best interests of the child or the  
13 child's siblings, and the private nonprofit licensed agency has a  
14 direct care caseload for foster care that is no greater than  
15 stipulated in its contract.

16 (2) The department, in conjunction with private nonprofit  
17 child placing agencies, shall form a workgroup to develop goals,  
18 objectives, and performance standards to evaluate achievement and  
19 results in providing quality foster care to children, reductions in  
20 their time in foster care, and better permanency placements. These  
21 goals, objectives, and performance standards shall apply to both  
22 public and private delivery of child welfare services, and data  
23 shall be collected from both private and public child welfare  
24 programs that can be used to evaluate performance achievements. The  
25 chairs of the house and senate appropriations subcommittees on the  
26 department budget, or their designees, shall be standing members of  
27 this workgroup.



1       (3) The department shall submit a quarterly report to the  
2 senate and house appropriations subcommittees on the department  
3 budget, the senate and house standing policy committees generally  
4 concerned with children's issues, and the state budget office on  
5 progress in developing the goals, objectives, and performance  
6 standards required under subsection (2). A final report shall be  
7 completed no later than June 30, 2008.

8       (4) The department, in collaboration with child placing  
9 agencies, shall develop a strategy to implement section 115o of the  
10 social welfare act, 1939 PA 280, MCL 400.115o. The strategy shall  
11 include a requirement that a department caseworker responsible for  
12 preparing a recommendation to a court concerning a juvenile  
13 placement shall provide, as part of the recommendation, information  
14 regarding the requirements of section 115o of the social welfare  
15 act, 1939 PA 280, MCL 400.115o.

16       Sec. 539. The department shall work in collaboration with  
17 representatives from private nonprofit child placing agencies to  
18 ensure appropriate placement for children who have been adjudicated  
19 abused, neglected, or delinquent and for whom residential treatment  
20 is required. The department and the representatives from the  
21 private nonprofit child placing agencies shall focus on statewide  
22 placement criteria to address the best interest of the child in  
23 need of services. The placement criteria shall include a continuum  
24 of care settings and options as appropriate for each child and his  
25 or her needs at specific times, including home placements, relative  
26 placements, shelter placements, and other options.

27       Sec. 544. The department shall implement pilot projects with



1 applications pending for accelerated residential treatment.

2       Sec. 545. (1) The department shall continue to implement a new  
3 specialized foster care system based upon the report and  
4 recommendations required in section 545(2) of 2004 PA 344.

5       (2) The department shall report to the senate and house  
6 appropriations subcommittees for the department budget on the  
7 number of new specialized foster care programs required under  
8 section 545(3) of 2004 PA 344 not later than January 15, 2008. If  
9 no new specialized foster care programs have been authorized, the  
10 department shall provide an explanation, a list of all applicants  
11 who applied but were denied, including the reason for denial in  
12 each case, and a strategic plan to provide for new specialized  
13 foster care programs.

14       (3) The department shall use money appropriated in part 1 for  
15 foster care payments to reduce rate disparities between providers  
16 of similar services in different geographic areas and to serve as  
17 demonstration projects for further efforts in reducing these  
18 disparities in future years.

19       Sec. 546. From the money appropriated in part 1 for foster  
20 care payments and child care fund reimbursements, the department  
21 shall pay a general foster care daily rate of \$21.15 and a  
22 specialized foster care daily rate of \$42.00.

23       Sec. 548. During the annual budget presentation to the house  
24 and senate appropriations subcommittees on the department budget,  
25 the department shall report on progress in implementing the  
26 recommendations of the task force that studied the disproportionate  
27 representation of African-American and other children of color in



1 the child welfare and juvenile justice systems as required under  
2 former section 548 of the fiscal year 2005-2006 budget act for the  
3 department.

4 Sec. 549. The department shall meet with personnel employed by  
5 the office of the children's ombudsman and the state court  
6 administrative office's foster care review board to investigate  
7 streamlining the oversight process for child welfare services and  
8 to ensure appropriate and adequate oversight while reducing  
9 duplication and redundancy between government offices.

10 Sec. 556. The department shall submit a report to the  
11 chairpersons of the senate and house of representatives  
12 appropriations committees and the senate and house fiscal agencies  
13 and policy offices that includes all of the following:

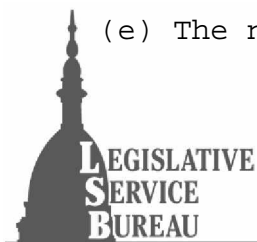
14 (a) A description of how the department is complying with  
15 federal requirements to notify prospective adoptive parents about  
16 adoption subsidies for which those prospective adoptive parents may  
17 qualify.

18 (b) The number of fair hearing requests from adoptive parents  
19 received by the department challenging the amount of the adoption  
20 subsidy.

21 (c) The number of challenges described in subdivision (b)  
22 alleging that an adoption subsidy amount was reduced without the  
23 consent of the adoptive parent.

24 (d) The number of challenges described in subdivision (b)  
25 alleging that a request for an increase in an adoption subsidy  
26 amount was denied based on a means test or similar test.

27 (e) The number of adoption subsidy payments suspended when the



1 child is still in the custody of the adoptive parent, but no longer  
2 in the physical care of that adoptive parent.

3 Sec. 559. If a conflict arises between the provisions of state  
4 law, department rules, or department policy, and the provisions of  
5 title IV-E, the provisions of title IV-E prevail.

6 Sec. 562. (1) The department shall allow a county to submit a  
7 claim for title IV-E foster care funding for a placement in a  
8 secure residential facility if the county can demonstrate that the  
9 reason for the secure placement is a diagnosed medical necessity  
10 and not protection of the public.

11 (2) The department shall submit a claim for title IV-E foster  
12 care funding for a placement in a secure residential facility if  
13 the county can demonstrate that the reason for the secure placement  
14 is a diagnosed medical necessity and not protection of the public.

15 Sec. 563. From the funds appropriated in part 1 for foster  
16 care payments and related administrative costs, the department may  
17 implement the federally approved title IV-E demonstration project  
18 waiver.

19 Sec. 565. (1) From the funds appropriated in part 1 for  
20 federally-funded family preservation programs, the department shall  
21 allocate \$2,000,000.00 to Wayne County to provide home-based  
22 programs as part of the county expansion of community-based  
23 services to serve the county's adjudicated delinquent and abused  
24 and neglected youth.

25 (2) One-half of the total amount allocated to Wayne County  
26 shall be used to serve adjudicated delinquent youth, and 1/2 shall  
27 be used to serve abused and neglected youth.





1 (3) Federal revenues shall be paid to Wayne County as  
2 reimbursement for actual costs incurred, consistent with  
3 established federal requirements.

4 (4) As a condition of receipt of federal funds pursuant to  
5 subsection (1), Wayne County shall provide the department with a  
6 plan for the use of allocated funds in a format to be specified by  
7 the department. The county shall also provide the department with  
8 all information required to demonstrate the appropriateness and  
9 allowability of expenditures and to meet federal financial and  
10 programmatic reporting requirements.

11 Sec. 566. From the funds appropriated in part 1 for the ECIC,  
12 the department shall contract for the creation and support of  
13 great start communities. Great start collaborative grants will be  
14 awarded by competitive bid process to eligible intermediate  
15 districts in an amount to be determined by the ECIC. The ECIC shall  
16 provide technical assistance to great start communities through  
17 intermediate school districts or other community agencies for the  
18 implementation of their great start community needs assessment and  
19 strategic plan.

20 Sec. 567. (1) The department, in conjunction with private,  
21 nonprofit child caring agencies and the chairpersons of the house  
22 and senate appropriations subcommittees on the department budget,  
23 shall review all policies, practices, and definitions for  
24 residential treatment security levels. The department shall give  
25 special consideration to how the levels affect the eligibility for  
26 title IV-E funding of residential facilities for both child  
27 welfare, abuse and neglect, and juvenile justice youth and whether



1 the policies, practices, and definitions are consistent with  
2 federal title IV-E regulations, with the goal of maximizing the  
3 amount of federal money available to this state.

4 Sec. 571. The department shall establish a title IV-E  
5 compliance and accountability office with the following goals and  
6 responsibilities:

7 (a) Study efforts in other states to determine best practices  
8 for title IV-E-related activities and measures to maximize the  
9 receipt of federal money for eligible cases.

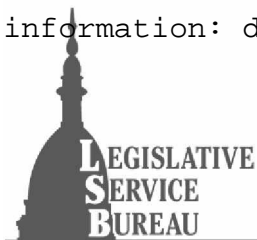
10 (b) Coordinate compliance with federal regulations in order to  
11 receive title IV-E money.

12 (c) Provide necessary technical assistance to local units of  
13 government, including courts, to ensure proper handling of cases  
14 and paperwork in preparation for federal audits and reviews.

15 (d) Coordinate a program to provide private persons, groups,  
16 and corporations with incentives to make tax-deductible  
17 contributions intended to assist foster care families to overcome  
18 barriers to becoming licensed and eligible to receive title IV-E  
19 money.

20 (e) Prepare quarterly reports to the house and senate  
21 appropriations subcommittees on the department budget on activities  
22 and progress toward meeting the responsibilities outlined above.

23 Sec. 572. (1) The department shall provide the house and  
24 senate appropriations subcommittees on the department budget with  
25 an annual report on the activities of the ECIC. The report is due  
26 by February 1 of each year and shall contain at least the following  
27 information: detail of the amounts of grants awarded, the grant



1 recipients, the activities funded by each grant, and an analysis of  
2 each grant recipient's success in addressing the development of a  
3 comprehensive system of early childhood services and supports.

4 (2) All contracts for comprehensive systems planning shall be  
5 bid out through a statewide request-for-proposal process, and the  
6 department shall send a report to the house and senate  
7 appropriations subcommittees on the department budget covering the  
8 selection criteria for establishing contracts at the time of the  
9 issuance of any request for proposals.

10 Sec. 573. From the money appropriated in part 1 for adoption  
11 support services, \$2,400,000.00 is allocated to support new  
12 adoption contracts focusing on long-term permanent wards who have  
13 been wards for more than 1 year after termination of parental  
14 rights. Private agencies shall receive \$16,000.00 for each  
15 finalized placement under the new program.

16 Sec. 574. From the money appropriated in part 1 for foster  
17 care payments - abuse and neglect, \$2,875,000.00 is allocated to  
18 support new contracts with private, nonprofit child placing  
19 agencies to facilitate the licensure of relative caregivers as  
20 foster parents. Agencies shall receive \$2,300.00 for each  
21 facilitated licensure. The private, nonprofit agency facilitating  
22 the licensure shall retain the placement and continue to provide  
23 case management services if the placement was appropriate to the  
24 agency.

25 Sec. 575. (1) Of the funds provided for the training of human  
26 services workers, particularly caseworkers, the department shall  
27 use appropriated funds to begin cultural sensitivity training and



1 awareness with the goal of effectively reducing the number of  
2 minority children inappropriately removed from their homes for  
3 neglect and placed in the foster care system when more appropriate  
4 action would include the provision of support services to the  
5 family.

6 (2) Of the money appropriated to the department for family  
7 preservation and prevention, more specific focus shall be placed on  
8 preserving and reunifying families in counties with major urban  
9 centers.

10 (3) As a condition for receiving appropriated money, the  
11 department and the office of the friend of the court shall work in  
12 cooperation to provide support services to families of custodial  
13 parents who have been awarded child support from a parent who is  
14 incarcerated.

15 (4) By March 31 and September 30 of each year, the department  
16 shall provide a report to the house and senate appropriations  
17 subcommittees with jurisdiction over the department budget, the  
18 house and senate fiscal agencies, and the house and senate policy  
19 offices on the specific cultural sensitivity training and awareness  
20 efforts, family preservation and reunification efforts, and  
21 collaborative efforts with the office of the friend of the court  
22 that are being undertaken to comply with this section.

23 Sec. 576. (1) Beginning October 1, 2007, from the funds  
24 appropriated in part 1, the department shall reimburse a private  
25 child placing agency for an adoption placement or finalization at  
26 the following unit rate, as applicable, depending on the category  
27 into which the placement falls under subsection (2):



1 (a) For basic and standard, \$2,750.00 for a placement,  
2 \$1,850.00 for a finalization.

3 (b) For enhanced, \$4,300.00 for a placement, \$2,875.00 for a  
4 finalization.

5 (c) For premium, \$5,725.00 for a placement, \$3,825.00 for a  
6 finalization.

7 (d) For residential, \$6,600.00 for a placement, \$4,400.00 for  
8 a finalization.

9 (e) For I-MARE, \$4,625.00 for a placement, \$3,075.00 for a  
10 finalization.

11 (f) For MARE, \$6,150.00 for a placement, \$4,100.00 for a  
12 finalization.

13 (g) For preplacement, \$1,425.00 for basic or standard,  
14 \$2,850.00 for enhanced.

15 (2) The following categories shall be used to determine which  
16 unit rate is applicable under subsection (1):

17 (a) The residential category shall be used for a placement  
18 that involves a child who was being cared for in a residential  
19 child caring institution.

20 (b) The MARE category shall be used for a placement other than  
21 an interagency placement in which the private agency used the  
22 Michigan adoption resource exchange photo-listing system.

23 (c) The I-MARE category shall be used for an interagency  
24 placement in which the private agency used the Michigan adoption  
25 resource exchange photo-listing system.

26 (d) A placement to which subdivisions (a) to (c) do not apply  
27 shall be reimbursed based on the length of time between the



1 termination of parental rights or case referral and the placement  
2 as follows:

3 (i) The premium category shall be used if the placement is  
4 achieved less than 6 months after the termination of parental  
5 rights, or after the case referral to the agency if the case was  
6 referred 3 months or more after termination.

7 (ii) The enhanced category shall be used if the placement is  
8 achieved 6 months or more but less than 9 months after the  
9 termination of parental rights, or after the case referral to the  
10 agency if the case was referred 3 months or more after termination.

11 (iii) The basic and standard category shall be used if the  
12 placement is achieved 9 months or more after the termination of  
13 parental rights, or after the case referral to the agency if the  
14 case was referred 3 months or more after termination.

15 (3) The department shall not establish a payment category or  
16 unit rate other than those in this section and shall not expend  
17 funds appropriated in part 1 for a payment that does not fall  
18 within a payment category or unit rate structure established in  
19 this section.

20 Sec. 577. From the money appropriated in part 1, the  
21 department shall allow a community collaborative to use strong  
22 families safe children program funds for a prevention program that  
23 meets standards agreed upon between the community collaborative and  
24 county department offices in accordance with federal regulations  
25 regarding expenditure of strong families safe children program  
26 funds.

27 Sec. 578. From the money appropriated in part 1, the



1 department shall make claims for and pay to local units of  
2 government the full benefit of federal title IV-E revenues earned  
3 as a result of eligible costs incurred by local units of  
4 government.

5 Sec. 579. From the money appropriated in part 1 for youth in  
6 transition, a minimum of \$250,000.00 shall be allotted to Wayne  
7 County to support services provided to eligible delinquent state  
8 wards, for whom the department is statutorily responsible, to the  
9 county's juvenile services system.

#### 10 **PUBLIC ASSISTANCE**

11 Sec. 601. (1) The department may terminate a vendor payment  
12 for shelter upon written notice from the appropriate local unit of  
13 government that a recipient's rental unit is not in compliance with  
14 applicable local housing codes or when the landlord is delinquent  
15 on property tax payments. A landlord shall be considered to be in  
16 compliance with local housing codes when the department receives  
17 from the landlord a signed statement stating that the rental unit  
18 is in compliance with local housing codes and that statement is not  
19 contradicted by the recipient and the local housing authority. The  
20 department shall terminate vendor payments if a taxing authority  
21 notifies the department that taxes are delinquent.

22 (2) Whenever a client agrees to the release of his or her name  
23 and address to the local housing authority, the department shall  
24 request from the local housing authority information regarding  
25 whether the housing unit for which vendoring has been requested  
26 meets applicable local housing codes. Vendoring shall be terminated



1 for those units that the local authority indicates in writing do  
2 not meet local housing codes until such time as the local authority  
3 indicates in writing that local housing codes have been met.

4 (3) In order to participate in the rent vendoring programs of  
5 the department, a landlord shall cooperate in weatherization and  
6 conservation efforts directed by the department or by an energy  
7 provider participating in an agreement with the department when the  
8 landlord's property has been identified as needing services.

9 Sec. 603. (1) The department, as it determines is appropriate,  
10 shall enter into agreements with energy providers by which cash  
11 assistance recipients and the energy providers agree to permit the  
12 department to make direct payments to the energy providers on  
13 behalf of the recipient. The payments may include heat and electric  
14 payment requirements from recipient grants and amounts in excess of  
15 the payment requirements.

16 (2) The department shall establish caps for natural gas, wood,  
17 electric heat service, deliverable fuel heat services, and for  
18 electric service based on available federal funds.

19 (3) The department shall review and adjust the standard  
20 utility allowance for the state food assistance program to ensure  
21 that it reflects current energy costs in the state.

22 Sec. 604. (1) The department shall operate a state disability  
23 assistance program. Except as provided in subsection (3), persons  
24 eligible for this program shall include needy citizens of the  
25 United States or aliens exempted from the supplemental security  
26 income citizenship requirement who are at least 18 years of age or  
27 emancipated minors meeting 1 or more of the following requirements:





1 (a) A recipient of supplemental security income, social  
2 security, or medical assistance due to disability or 65 years of  
3 age or older.

4 (b) A person with a physical or mental impairment which meets  
5 federal supplemental security income disability standards, except  
6 that the minimum duration of the disability shall be 90 days.  
7 Substance abuse alone is not defined as a basis for eligibility.

8 (c) A resident of an adult foster care facility, a home for  
9 the aged, a county infirmary, or a substance abuse treatment  
10 center.

11 (d) A person receiving 30-day postresidential substance abuse  
12 treatment.

13 (e) A person diagnosed as having acquired immunodeficiency  
14 syndrome.

15 (f) A person receiving special education services through the  
16 local intermediate school district.

17 (g) A caretaker of a disabled person as defined in subdivision  
18 (a), (b), (e), or (f) above.

19 (2) Applicants for and recipients of the state disability  
20 assistance program shall be considered needy if they:

21 (a) Meet the same asset test as is applied to applicants for  
22 the family independence program.

23 (b) Have a monthly budgetable income that is less than the  
24 payment standards.

25 (3) Except for a person described in subsection (1)(c) or (d),  
26 a person is not disabled for purposes of this section if his or her  
27 drug addiction or alcoholism is a contributing factor material to



1 the determination of disability. "Material to the determination of  
2 disability" means that, if the person stopped using drugs or  
3 alcohol, his or her remaining physical or mental limitations would  
4 not be disabling. If his or her remaining physical or mental  
5 limitations would be disabling, then the drug addiction or  
6 alcoholism is not material to the determination of disability and  
7 the person may receive state disability assistance. Such a person  
8 must actively participate in a substance abuse treatment program,  
9 and the assistance must be paid to a third party or through vendor  
10 payments. For purposes of this section, substance abuse treatment  
11 includes receipt of inpatient or outpatient services or  
12 participation in alcoholics anonymous or a similar program.

13 (4) A refugee or asylee who loses his or her eligibility for  
14 the federal supplemental security income program by virtue of  
15 exceeding the maximum time limit for eligibility as delineated in 8  
16 USC 1612 and who otherwise meets the eligibility criteria under  
17 this section shall be eligible to receive benefits under the state  
18 disability assistance program.

19 Sec. 605. The level of reimbursement provided to state  
20 disability assistance recipients in licensed adult foster care  
21 facilities shall be the same as the prevailing supplemental  
22 security income rate under the personal care category.

23 Sec. 606. County department offices shall require each  
24 recipient of state disability assistance who has applied with the  
25 social security administration for supplemental security income to  
26 sign a contract to repay any assistance rendered through the state  
27 disability assistance program upon receipt of retroactive



1 supplemental security income benefits.

2       Sec. 607. The department's ability to satisfy appropriation  
3 deductions in part 1 for state disability assistance/supplemental  
4 security income recoveries and public assistance recoupment  
5 revenues shall not be limited to recoveries and accruals pertaining  
6 to state disability assistance, or family independence assistance  
7 grant payments provided only in the current fiscal year, but shall  
8 include all related net recoveries received during the current  
9 fiscal year.

10       Sec. 608. Adult foster care facilities providing domiciliary  
11 care or personal care to residents receiving supplemental security  
12 income or homes for the aged serving residents receiving  
13 supplemental security income shall not require those residents to  
14 reimburse the home or facility for care at rates in excess of those  
15 legislatively authorized. To the extent permitted by federal law,  
16 adult foster care facilities and homes for the aged serving  
17 residents receiving supplemental security income shall not be  
18 prohibited from accepting third-party payments in addition to  
19 supplemental security income provided that the payments are not for  
20 food, clothing, shelter, or result in a reduction in the  
21 recipient's supplemental security income payment.

22       Sec. 609. The state supplementation level under the  
23 supplemental security income program for the personal care/adult  
24 foster care and home for the aged categories shall not be reduced  
25 during the fiscal year beginning October 1, 2006 and ending  
26 September 30, 2007. The legislature shall be notified not less than  
27 30 days before any proposed reduction in the state supplementation



1 level.

2 Sec. 610. In developing good cause criteria for the state  
3 emergency relief program, the department shall grant exemptions if  
4 the emergency resulted from unexpected expenses related to  
5 maintaining or securing employment.

6 Sec. 611. (1) A provider of indigent burial services may  
7 collect additional payment from relatives or other persons on  
8 behalf of the deceased if the total additional payment does not  
9 exceed \$4,000.00.

10 (2) Any additional payment collected pursuant to subsection  
11 (1) shall not increase the maximum charge limit for state payment  
12 as established by law.

13 (3) A provider of indigent burial services under the indigent  
14 burial services pilot project begun in fiscal year 2005-2006 shall  
15 not request or accept payment from a relative of the deceased or  
16 from another individual, other than payment under the pilot  
17 project.

18 Sec. 612. For purposes of determining housing affordability  
19 eligibility for state emergency relief, a group is considered to  
20 have sufficient income to meet ongoing housing expenses if their  
21 total housing obligation does not exceed 75% of their total net  
22 income.

23 Sec. 613. (1) From the money appropriated in part 1 for state  
24 emergency relief, the maximum allowable reimbursement limit for  
25 indigent burials shall be \$909.00, which shall be distributed as  
26 follows: \$579.00 for funeral directors, \$192.00 for cemeteries or  
27 crematoriums, and \$138.00 for the provider of the vault.



1           (2) The department shall continue to work with funeral  
2 directors to establish a regional or statewide pilot program that  
3 allows flexibility in payments from the family of the deceased and  
4 other resources to provide options for different funeral  
5 arrangements and payment. The department may deviate from the  
6 payment limits established in subsection (1) and section 611 in  
7 making payments under the pilot program. The department shall  
8 forward a copy of the pilot program plan to the senate and house of  
9 representatives appropriations subcommittees with jurisdiction over  
10 the department budget not less than 30 days before it is  
11 implemented.

12           Sec. 614. The funds available in part 1 for burial services  
13 shall be available if the deceased was an eligible recipient and an  
14 application for emergency relief funds was made within 10 days of  
15 the burial or cremation of the deceased person. Each provider of  
16 burial services shall be paid directly by the department.

17           Sec. 615. Except as required by federal law or regulations,  
18 funds appropriated in part 1 shall not be used to provide public  
19 assistance to a person who is an illegal alien. This section shall  
20 not prohibit the department from entering into contracts with food  
21 banks or emergency shelter providers who may, as a normal part of  
22 doing business, provide food or emergency shelter to individuals.

23           Sec. 617. In operating the family independence program with  
24 funds appropriated in part 1, the department shall not approve as a  
25 minor parent's adult supervised household a living arrangement in  
26 which the minor parent lives with his or her partner as the  
27 supervising adult.



1       Sec. 618. The department may only reduce, terminate, or  
2       suspend assistance provided under the social welfare act, 1939 PA  
3       280, MCL 400.1 to 400.119b, without prior notice in 1 or more of  
4       the following situations:

5       (a) The only eligible recipient has died.

6       (b) A recipient member of a program group or family  
7       independence assistance group has died.

8       (c) A recipient child is removed from his or her family home  
9       by court action.

10       (d) A recipient requests in writing that his or her assistance  
11       be reduced, terminated, or suspended.

12       (e) A recipient has been approved to receive assistance in  
13       another state.

14       (f) A change in either state or federal law that requires  
15       automatic grant adjustments for classes of recipients.

16       (g) The only eligible recipient in the household has been  
17       incarcerated.

18       (h) A recipient is no longer a Michigan resident.

19       (i) A recipient is closed on 1 case to be activated on  
20       another.

21       (j) Federal payments (other than RSDI, railroad retirement, or  
22       VA) to the group have begun or increased.

23       (k) A recipient is disqualified for intentional program  
24       violation.

25       (l) When the department's negative action is upheld in an  
26       administrative hearing.

27       Sec. 619. The department shall exempt from the denial of title



1 IV-A assistance and food assistance benefits, contained in 21 USC  
2 862a, any individual who has been convicted of a felony that  
3 included the possession, use, or distribution of a controlled  
4 substance, after August 22, 1996, provided that the individual is  
5 not in violation of his or her probation or parole requirements.  
6 Benefits shall be provided to such individuals as follows:

7 (a) A third-party payee or vendor shall be required for any  
8 cash benefits provided.

9 (b) An authorized representative shall be required for food  
10 assistance receipt.

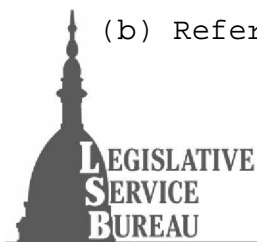
11 Sec. 620. The department with the approval of the state budget  
12 director is authorized to increase federal spending authority for  
13 food assistance program benefits if projected caseload spending  
14 will exceed the spending authority in part 1. This authorization  
15 adjustment shall be made 15 days after notifying the chairs of the  
16 house and senate appropriations subcommittees on the department  
17 budget and house and senate fiscal agencies.

18 Sec. 621. Funds appropriated in part 1 may be used to support  
19 multicultural assimilation and support services. The department  
20 shall distribute all of the funds described in this section based  
21 on assessed community needs.

22 Sec. 631. The department shall maintain policies and  
23 procedures to achieve all of the following:

24 (a) The identification of individuals on entry into the system  
25 who have a history of domestic violence, while maintaining the  
26 confidentiality of that information.

27 (b) Referral of persons so identified to counseling and



1 supportive services.

2 (c) In accordance with a determination of good cause, the  
3 waiving of certain requirements of family independence programs  
4 where compliance with those requirements would make it more  
5 difficult for the individual to escape domestic violence or would  
6 unfairly penalize individuals who have been victims of domestic  
7 violence or who are at risk of further domestic violence.

8 Sec. 635. Within 24 hours of receiving all information  
9 necessary to process an application for payments for child day  
10 care, the department shall determine whether the child day care  
11 provider to whom the payments, if approved, would be made, is  
12 listed on the child abuse and neglect central registry. If the  
13 provider is listed on the central registry, the department shall  
14 immediately send written notice denying the applicant's request for  
15 child day care payments.

16 Sec. 640. (1) From the funds appropriated in part 1 for day  
17 care services, the department may continue to provide infant and  
18 toddler incentive payments to child day care providers serving  
19 children from 0 to 2-1/2 years of age who meet licensing or  
20 training requirements.

21 (2) The use of the funds under this section should not be  
22 considered an ongoing commitment of funding.

23 Sec. 643. As a condition of receipt of federal TANF funds,  
24 homeless shelters shall collaborate with the department to obtain  
25 necessary TANF eligibility information on families as soon as  
26 possible after admitting a family to the homeless shelter. From the  
27 funds appropriated in part 1 for homeless shelter contracts, the





1 department is authorized to make allocations of TANF funds only to  
2 the agencies that report necessary data to the department for the  
3 purpose of meeting TANF eligibility reporting requirements.

4 Homeless shelters that do not report necessary data to the  
5 department for the purpose of meeting TANF eligibility reporting  
6 requirements will not receive reimbursements which exceed the per  
7 diem amount they received in fiscal year 2000. The use of TANF  
8 funds under this section should not be considered an ongoing  
9 commitment of funding.

10 Sec. 645. An individual or family is considered homeless, for  
11 purposes of eligibility for state emergency relief, if living  
12 temporarily with others in order to escape domestic violence. For  
13 purposes of this section, domestic violence is defined and verified  
14 in the same manner as in the department's policies on good cause  
15 for not cooperating with child support and paternity requirements.

16 Sec. 653. From the funds appropriated in part 1 for food  
17 assistance, an individual who is the victim of domestic violence  
18 and does not qualify for any other exemption may be exempt from the  
19 3-month in 36-month limit on receiving food assistance under 7 USC  
20 2015. This exemption can be extended an additional 3 months upon  
21 demonstration of continuing need.

22 Sec. 657. (1) The department shall fund a statewide before- or  
23 after-school program to provide youth with a safe, engaging  
24 environment to motivate and inspire learning outside the  
25 traditional classroom setting. Before- or after-school program  
26 eligibility is limited to geographic areas near school buildings  
27 that do not meet federal no child left behind annual yearly



1 progress (AYP) requirements and that include the before- or after-  
2 school programs in the AYP plans as a means to improve outcomes.  
3 Before-school programs are limited to elementary school-aged  
4 children. Effective before- or after-school programs combine  
5 academic, enrichment, and recreation activities to guide learning  
6 and inspire children and youth in various activities. The before-  
7 or after-school programs can meet the needs of the communities  
8 served by the programs.

9 (2) The department shall work in collaboration with  
10 independent contractors to put into practice a program establishing  
11 quality before- or after-school programs for children in  
12 kindergarten to ninth grades. In order for an independent  
13 contractor to receive TANF funds, a child served must be a member  
14 of a family with an income that does not exceed 200% of the federal  
15 poverty guidelines published by the United States department of  
16 health and human services.

17 (3) The department shall, through a competitive bid process,  
18 provide grants or contracts up to \$5,000,000.00 in TANF funds for  
19 the program based on community needs. A county shall receive no  
20 more than 20% of the funds appropriated in part 1 for this program.  
21 From the funds appropriated in part 1 for before- or after-school  
22 programs within day care services, the department is authorized to  
23 make allocations of funds only to the agencies that report  
24 necessary data to the department for the purpose of meeting TANF  
25 and maintenance of effort eligibility reporting requirements. The  
26 use of funds under this section should not be considered an ongoing  
27 commitment of funding.



1 (4) The before- or after-school programs shall include  
2 academic assistance, including assistance with reading and writing,  
3 and at least 3 of the following topics:

4 (a) Abstinence-based pregnancy prevention.

5 (b) Chemical abuse and dependency including nonmedical  
6 services.

7 (c) Gang violence prevention.

8 (d) Preparation toward future self-sufficiency.

9 (e) Leadership development.

10 (f) Case management or mentoring.

11 (g) Parental involvement.

12 (h) Anger management.

13 (5) The department may enter into grants or contracts with  
14 independent contractors including, but not limited to, faith-based  
15 organizations, boys or girls clubs, schools, or nonprofit  
16 organizations. The department shall grant priority in funding  
17 independent contractors who secure at least 25% in matching funds.  
18 The matching funds may either be fulfilled through local, state, or  
19 federal funds, and/or through in-kind or other donations.

20 (6) A referral to a program may be made by, but is not limited  
21 to, any of the following: a teacher, counselor, parent, police  
22 officer, judge, or social worker.

23 (7) By January 30, 2008, the department before- or after-  
24 school program expenditures shall be audited and the department  
25 shall work in collaboration with independent contractors to provide  
26 a report on the before- or after-school program to the senate and  
27 house standing committees dealing with human services, the senate



1 and house appropriations subcommittees for the department budget,  
2 the senate and house fiscal agencies, and the senate and house  
3 policy offices. The report shall include the number of participants  
4 and the average cost per participant, as well as changes noted in  
5 program participants in any of the following categories:

6 (a) Juvenile crime.

7 (b) Aggressive behavior.

8 (c) Academic achievement.

9 (d) Development of new skills and interests.

10 (e) School attendance and dropout rates.

11 (f) Behavioral changes in school.

12 Sec. 660. From the funds appropriated in part 1 for food bank  
13 funding, the department is authorized to make allocations of TANF  
14 funds only to the agencies that report necessary data to the  
15 department for the purpose of meeting TANF eligibility reporting  
16 requirements. The agencies that do not report necessary data to the  
17 department for the purpose of meeting TANF eligibility reporting  
18 requirements will not receive allocations in excess of those  
19 received in fiscal year 2000. The use of TANF funds under this  
20 section should not be considered an ongoing commitment of funding.

21 Sec. 665. The department shall partner with the department of  
22 transportation and may partner with other entities to use TANF and  
23 other sources of available funding to support public transportation  
24 needs of TANF-eligible individuals. This partnership shall place a  
25 priority on transportation needs for employment or seeking  
26 employment or medical or health-related transportation.

27 Sec. 666. The department shall continue efforts to increase



1 the participation of eligible family independence program  
2 recipients in the federal earned income tax credit.

3 Sec. 668. (1) In coordination with the Michigan alliance of  
4 boys and girls clubs, the department shall expend \$250,000.00 to  
5 make allocations for a statewide collaborative project to develop a  
6 community-based program available to children ages 6 to 15.

7 (2) The department shall make allocations of TANF funds under  
8 this section only to agencies that report necessary data to the  
9 department for the purpose of meeting the TANF eligibility  
10 reporting requirements. The use of TANF funds under this section  
11 should not be considered an ongoing commitment.

12 (3) The department shall grant priority in funding to programs  
13 that provide at least 10% in matching funds. The matching funds  
14 requirement shall be fulfilled through any combination of local,  
15 state, or federal funds or in-kind or other donations. A program  
16 that cannot meet the matching requirement shall not be excluded  
17 from applying for a contract.

18 Sec. 669. (1) The department shall distribute cash and food  
19 assistance to recipients electronically by using debit cards.

20 (2) The department shall allocate up to \$7,167,500.00 for the  
21 annual clothing allowance. The allowance shall be granted to all  
22 eligible children as defined by the department.

23 Sec. 673. The department shall immediately send notification  
24 to a client participating in the state child day care program and  
25 his or her child day care provider if the client's eligibility is  
26 reduced or eliminated.

27 Sec. 674. The department shall develop and implement a plan to



1 reduce waste, fraud, and abuse within the child day care program.  
2 Beginning December 31, 2007, the department shall report annually  
3 to the senate and house appropriations subcommittees for the  
4 department budget, the senate and house fiscal agencies and policy  
5 offices, and the state budget director on plan details and  
6 implementation status.

7       Sec. 675. The department shall continue to explore policy  
8 options and the potential costs of implementing a child day care  
9 rate structure that more accurately reflects the market cost of  
10 care by vicinity.

11       Sec. 677. The department shall establish a state goal for the  
12 percentage of family independence program (FIP) cases involved in  
13 employment activities. The percentage established shall not be less  
14 than 50%. On a monthly basis, the department shall report to the  
15 senate and house appropriations subcommittees on the department  
16 budget, the senate and house fiscal agencies and policy offices,  
17 and the state budget director on the current percentage of FIP  
18 cases involved in employment activities and the current percentage  
19 of JET pilot program cases involved in employment activities. If  
20 the FIP case percentage is below the goal for more than 2  
21 consecutive quarters, the department shall develop a plan to  
22 increase the percentage of FIP cases involved in employment-related  
23 activities. The department shall deliver the plan during the next  
24 annual budget presentation to the senate and house appropriations  
25 subcommittees on the department budget.

26       Sec. 678. (1) The department shall provide the house and  
27 senate appropriations subcommittees on the department budget with



1 an annual report on the activities of the early childhood  
2 investment corporation (ECIC). The report is due by February 1 of  
3 each year and shall contain at least the following information:

4 (a) Expenditures for the prior fiscal year and planned  
5 expenditures for the current fiscal year for ECIC administration  
6 and for each program administered by the ECIC.

7 (b) The projected funding sources for the ECIC expenditures in  
8 subdivision (a).

9 (c) A list of all new and ongoing contracts for ECIC programs.

10 (2) All contracts shall be bid out through a statewide  
11 request-for-proposal process, and the department shall send a  
12 report to the house and senate appropriations subcommittees on the  
13 department budget covering the selection criteria for establishing  
14 contracts at least 30 days before the issuance of any request for  
15 proposals.

16 Sec. 681. By December 1, 2007, the department shall implement  
17 policy changes in the distribution of food assistance program  
18 benefits to address concerns expressed by grocers, food providers,  
19 and the Michigan food policy council. The distribution change shall  
20 seek to achieve a more uniform flow of food assistance expenditures  
21 in any given month and also consider the needs of recipients. A  
22 report on the implemented policy changes shall be provided to the  
23 house and senate appropriations committees, the house and senate  
24 fiscal agencies, and the house and senate policy offices by  
25 December 1, 2007.

26 Sec. 682. The department shall notify the house and senate  
27 appropriations subcommittees on the department budget, the house



1 and senate fiscal agencies, and the house and senate policy staffs  
2 regarding the JET program savings for fiscal year 2006-2007 and the  
3 details on the proposed use of that money.

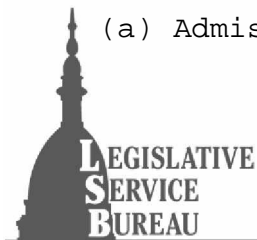
4 Sec. 683. From the money appropriated in part 1 for SSI  
5 advocacy, \$1,275,000.00 shall be paid to the Michigan state bar  
6 foundation for SSI advocacy services provided by the legal services  
7 association of Michigan. A payment of \$400.00 shall be made for  
8 each case referred to the legal services association of Michigan,  
9 with a final payment of \$250.00 upon case completion.

#### 10 **JUVENILE JUSTICE SERVICES**

11 Sec. 702. Expansion of facilities funded under part 1 for  
12 juvenile justice services shall not be authorized by the joint  
13 capital outlay subcommittee of the appropriations committees until  
14 the department has held a public hearing in the community where the  
15 facility proposed to be expanded is located.

16 Sec. 705. (1) The department, in conjunction with private  
17 juvenile justice residential programs, shall develop a methodology  
18 for measuring goals, objectives, and performance standards for the  
19 delivery of juvenile justice residential programs based on national  
20 standards and best practices. These goals, objectives, and  
21 performance standards shall apply to both public and private  
22 delivery of juvenile justice residential programs, and data shall  
23 be collected from both private and public juvenile justice  
24 residential programs that can be used to evaluate performance  
25 achievements, including, but not limited to, the following:

26 (a) Admission and release data and other information related





1 to demographics of population served.

2 (b) Program descriptions and information related to treatment,  
3 educational services, and conditions of confinement.

4 (c) Program outcomes including recidivism rates for youth  
5 served by the facility.

6 (2) The department during the annual budget presentation shall  
7 outline the progress of the development of the goals, objectives,  
8 and performance standards, as well as the information collected  
9 through the implementation of the performance measurement program.  
10 The presentation shall include all of the following:

11 (a) Actual cost and actual days of care by facility for the  
12 most recently completed fiscal year.

13 (b) Actual cost per day per youth by facility for the most  
14 recently completed fiscal year.

15 (c) An analysis of the variance between the estimated cost and  
16 days of care assumed in the original appropriation and the figures  
17 in subdivisions (a) and (b).

18 (d) Both the number of authorized FTE positions for each  
19 facility and the number of actual on-board FTE positions for the  
20 most recently completed fiscal year.

21 Sec. 706. Counties shall be subject to 50% charge-back for the  
22 use of alternative regional detention services, if those detention  
23 services do not fall under the basic provision of section 117e of  
24 the social welfare act, 1939 PA 280, MCL 400.117e, or if a county  
25 operates those detention services programs primarily with  
26 professional rather than volunteer staff.

27 Sec. 707. In order to be reimbursed for child care fund



1 expenditures, counties are required to submit department-developed  
2 reports to enable the department to document potential federally  
3 claimable expenditures. This requirement is in accordance with the  
4 reporting requirements specified in section 117a(7) of the social  
5 welfare act, 1939 PA 280, MCL 400.117a.

6       Sec. 708. As a condition of receiving money appropriated in  
7 part 1 for the child care fund line item, by February 15, 2008,  
8 counties shall have an approved service spending plan for the  
9 fiscal year ending September 30, 2008. Counties must submit the  
10 service spending plan to the department by December 15, 2007 for  
11 approval.

12       Sec. 714. (1) The department shall provide technical  
13 assistance for counties to develop information networks including,  
14 but not limited to, serious habitual offenders comprehensive action  
15 program (SHOCAP), juvenile justice on-line technology (JJOLT), and  
16 juvenile violent reporting system (JVRS).

17       (2) The department shall assist counties in identifying  
18 funding sources for the networks, including, but not limited to,  
19 the child care fund and the juvenile accountability incentive block  
20 grant.

21       (3) The local units of government shall report to the  
22 department on expenditures of their juvenile justice information  
23 networks in concert with their requests for reimbursement from the  
24 child care fund.

25       Sec. 715. (1) It is the intent of the legislature that the  
26 primary function of the juvenile justice system shall be to promote  
27 the best interest of the child.



1           (2) The department shall report to the senate and house  
2 appropriations subcommittees for the department budget, the senate  
3 and house fiscal agencies and policy offices, and the state budget  
4 director by October 30, 2007 on the status of implementing  
5 recommendations of the 2001 joint house and senate task force on  
6 juvenile justice, including, but not limited to, the following:

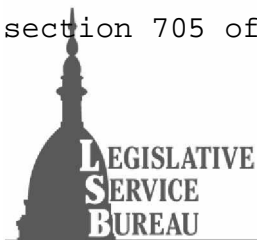
7           (a) Mentoring programs that focus on improving communication  
8 and collaboration, encourage quality mentoring programs,  
9 recruitment of mentors, and increasing public awareness of and  
10 participation in programs for at-risk youth.

11           (b) Discussion of programs relating to juvenile information  
12 networks as an Internet-based communication tool that assists with  
13 case management of juvenile offenders in the area.

14           Sec. 719. The department shall notify the legislature at least  
15 30 days before closing or making any change in the status,  
16 including the licensed bed capacity and operating bed capacity, of  
17 a state juvenile justice facility.

18           Sec. 720. (1) The goal of high security juvenile services  
19 funded in part 1 shall be to protect the general public from  
20 dangerous juvenile offenders while providing rehabilitation  
21 services to those offenders to safely prepare them for entry into  
22 society.

23           (2) The department shall take into consideration the  
24 recommendations on a methodology for measuring goals, objectives,  
25 and performance standards developed in conjunction with private  
26 providers of juvenile justice residential programs required in  
27 section 705 of 2004 PA 344.



1 (3) The department shall allocate money to public and private,  
2 nonprofit providers of high security juvenile services based on  
3 their ability to demonstrate results in all of the following:

4 (a) Lower recidivism rates.

5 (b) Higher school completion rates or GED completion rates.

6 (c) Shorter average stays in a residential facility.

7 (d) Lower average actual cost per resident.

8 (e) Availability of appropriate services to residents.

9 (4) The department shall comply with section 115o of the  
10 social welfare act, 1939 PA 280, MCL 400.115o, regarding placement  
11 of juvenile offenders, and shall refer to that statutory  
12 requirement in making referral recommendations to courts for secure  
13 residential programs.

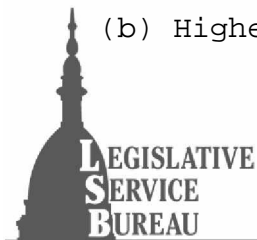
14 (5) The department shall require, if possible and practical,  
15 that aftercare services for a juvenile offender be provided by the  
16 same organization or provider that provided residential care for  
17 that juvenile.

18 Sec. 721. (1) The goal of medium or low security juvenile  
19 services shall be effective treatment of juvenile offenders to  
20 safely prepare them for entry into society.

21 (2) The department shall allocate money to public and private,  
22 nonprofit providers of medium security juvenile services or to  
23 private, nonprofit providers of low security juvenile services  
24 based on their ability to demonstrate results in all of the  
25 following:

26 (a) Reduced rates of recidivism.

27 (b) Higher rates of high school or GED completion.



1 (c) Shorter average stays in a residential facility.

2 (d) Availability of appropriate services to residents.

3 (e) Lower average actual cost per resident.

4 (3) The department shall comply with section 115o of the  
5 social welfare act, 1939 PA 280, MCL 400.115o, regarding the  
6 placement of juvenile offenders, and shall refer to that statutory  
7 requirement in making referral recommendations to courts for  
8 residential treatment programs.

9 (4) The department shall require, if possible and practical,  
10 that aftercare services for a juvenile offender be provided by the  
11 same program or provider that provided treatment for the juvenile  
12 in residential care.

13 Sec. 722. (1) The goal of juvenile justice day programs shall  
14 be the effective treatment and rehabilitation of juvenile offenders  
15 in appropriate community settings.

16 (2) The department shall allocate money to private, nonprofit  
17 providers of juvenile justice day programs based on their ability  
18 to demonstrate results in all of the following:

19 (a) Reduced rates of recidivism.

20 (b) Higher rates of high school or GED completion.

21 (c) Availability of appropriate services to offenders.

22 (d) Lower average actual cost per resident.

23 (e) Shorter average stays in a residential facility.

24 (3) The department shall reimburse community juvenile justice  
25 providers at a daily rate of \$120.00 per day per juvenile resident.

26 Sec. 723. A private nonprofit provider of juvenile services  
27 may receive funding for services of different security levels if



1 the provider has appropriate services for each security level and  
2 adequate measures to physically separate residents of each security  
3 level. However, to be eligible for funding, the private nonprofit  
4 service provider shall not use a for-profit management group or  
5 contract with a for-profit organization for its management.

6 Sec. 724. (1) Beginning October 1, 2007, direct delinquency  
7 services for male and female juveniles who require community or low  
8 security services and male juveniles who require medium security  
9 services shall be provided under contract with the department by a  
10 licensed, nonprofit, nationally accredited child caring institution  
11 or child placing agency.

12 (2) Beginning October 1, 2007, the department shall be  
13 responsible for oversight, licensure, and purchase of direct  
14 delinquency services for children and youth who require community  
15 low or medium security services. The department may also provide  
16 direct service and monitoring for children who require high  
17 security services.

18 (3) The contracts with licensed, nonprofit, nationally  
19 accredited child caring institutions or child placing agencies  
20 shall include specific performance objectives and measurable  
21 outcomes.

22 Sec. 725. The department shall submit a report by March 1 and  
23 September 1 of each year to the house and senate subcommittees with  
24 oversight over the department budget, the house and senate fiscal  
25 agencies, the house and senate policy offices, and the state budget  
26 director on the results achieved by public and private providers in  
27 the areas outlined in sections 720(3), 721(2), and 722(2). The



1 report shall compare the results achieved by public providers to  
 2 those achieved by private providers.

3 Sec. 726. Beginning October 1, 2007, from the money  
 4 appropriated in part 1 for foster care payments, abuse and neglect;  
 5 foster care payments, juvenile justice; child care fund, abuse and  
 6 neglect; and child care fund, juvenile justice, the department  
 7 shall pay a provider of residential services for juvenile justice  
 8 and abused or neglected youth at the daily rate listed in the  
 9 following schedule for the provider's contract. For a contract not  
 10 listed in the schedule, the department shall pay the provider a  
 11 daily rate that is 7.5% more than the rate paid in fiscal year  
 12 2006-2007.

13	Contract #	Provider #	Contractor Name	Rate
14	07-99061	6355620	Child & Family Services Of	
15			Northeast Michigan	\$172.02
16	07-99057	6355675	Boysville Of Michigan, Inc.	\$149.00
17	07-99015	6355890	Starr Commonwealth	\$175.95
18	07-99006	6356082	Universal Health Services, Inc.	\$267.31
19	07-99077	6356144	Teaching Family Homes Of	
20			Upper Michigan	\$140.74
21	07-99012	6356270	Whaley Children's Center	\$198.29
22	07-99012	6356340	Whaley Children's Center	\$198.29
23	07-99043	6356350	Boysville Of Michigan, Inc.	\$168.31
24	07-99012	6356396	Whaley Children's Center	\$198.29
25	07-99012	6356430	Whaley Children's Center	\$198.29
26	07-99014	6356618	The Manor	\$177.62
27	07-99015	6356618	The Manor	\$177.62



1	07-99014	6356627	The Manor	\$177.62
2	07-99015	6356627	The Manor	\$177.62
3	07-99014	6356636	The Manor	\$177.62
4	07-99015	6356636	The Manor	\$177.62
5	07-99015	6356654	The Manor	\$177.62
6	07-99014	6356663	The Manor	\$177.62
7	07-99015	6356663	The Manor	\$177.62
8	07-99068	6356672	Good Will Farm Association, Inc.	\$174.27
9	07-99007	6356734	St. Vincent Catholic Charities	\$198.29
10	07-99008	6356734	St. Vincent Catholic Charities	\$248.27
11	07-99008	6356743	Highfields, Inc.	\$175.95
12	07-99065	6356912	Forestland Group Homes	\$153.80
13	07-99018	6357007	Florence Crittenton Services	\$120.00
14	07-99018	6357007	Florence Crittenton Services	\$151.56
15 16	07-99003	6357212	Wedgwood Christian Youth & Family Services	\$260.26
17 18	07-99004	6357268	Wedgwood Christian Youth & Family Services	\$175.95
19 20	07-99004	6357277	Wedgwood Christian Youth & Family Services	\$175.95
21	07-99005	6357295	St. John's Home	\$175.85
22 23	07-99003	6357464	Wedgwood Christian Youth & Family Services	\$260.26
24	07-99040	6357571	Boysville Of Michigan, Inc.	\$154.95
25	07-99041	6357571	Boysville Of Michigan, Inc.	\$225.43
26 27	07-99078	6357750	Teaching Family Homes Of Upper Michigan	\$190.89
28	07-99047	6357830	Boysville Of Michigan, Inc.	\$172.65
29	07-99047	6357830	Boysville Of Michigan, Inc.	\$172.65





1	07-99090	6357849	Children's Home Of Detroit	\$282.84
2	07-82011	6357938	Harbor Oaks Hospital	\$314.12
3	07-99069	6357938	Great Lakes Recovery Centers, Inc	\$158.70
4	07-99048	6358078	Boysville Of Michigan, Inc.	\$154.95
5	07-25001	6358200	Boys & Girls Republic	\$216.13
6	07-25001	6358200	Boys & Girls Republic	\$216.13
7	07-63001	6358200	Boys & Girls Republic	\$216.13
8	07-99070	6358210	Judson Center	\$175.38
9	07-99059	6358425	Crossroads For Youth	\$130.00
10	07-99060	6358425	Crossroads For Youth	\$169.99
11	07-99082	6358425	Crossroads For Youth	\$130.00
12	07-99083	6358775	Pineview Homes, Inc.	\$130.00
13	07-99064	6358784	Eagle Village, Inc.	\$172.65
14	07-99058	6358953	Boysville Of Michigan, Inc.	\$179.11
15	07-99044	6358980	Boysville Of Michigan, Inc.	\$149.00
16	07-99044	6358990	Boysville Of Michigan, Inc.	\$149.00
17	07-99050	6359039	Boysville Of Michigan, Inc.	\$131.41
18	07-99051	6359039	Boysville Of Michigan, Inc.	\$155.65
19	07-99003	6359315	Wolverine Human Services	\$145.28
20	07-99089	6359315	Wolverine Human Services	\$183.48
21	07-99087	6359370	Helpsource	\$239.53
22	07-99076	6359398	St. Louis Center	\$130.00
23	07-99063	6359422	Helpsource	\$183.18
24	07-99087	6359422	Helpsource	\$239.53
25	07-99074	6359567	Salvation Army Denby Center	
26			For Children & Family	\$130.00
27	07-99091	6359576	Children's Home Of Detroit	\$175.95
28	07-82008	6359594	Barat Child And Family Services	\$144.73



1	07-82009	6359600	Christ Child House	\$166.57
2	07-82012	6359610	St. Peter's Home	\$159.57
3	07-99067	6359638	Girlstown	\$152.81
4	07-99006	6359656	Federation Of Youth Services	\$172.65
5	07-82010	6359674	Don Bosco Hall	\$154.14
6	07-99072	6359781	Methodist Children's Home Society	\$198.29
7	07-99054	6359825	Vista Maria	\$166.09
8	07-99080	6359825	Vista Maria	\$243.55
9	07-99001	6359852	Spectrum Human Services	\$198.29
10	07-99047	6359932	Boysville Of Michigan, Inc.	\$172.65
11	07-99049	6359932	Boysville Of Michigan, Inc.	\$172.65
12	07-99049	6359932	Boysville Of Michigan, Inc.	\$172.65
13	07-99001	6359975	Spectrum Human Services	\$198.29
14	07-99001	6359997	Spectrum Human Services	\$198.29
15	07-99066	6360020	Girlstown	\$177.91
16	07-99086	6360100	Salvation Army Denby Center	
17			For Children & Family	\$194.37
18	07-99056	6360192	Wolverine Human Services	\$228.88
19	07-99045	6360380	Boysville Of Michigan, Inc.	\$179.62
20	07-82015	6360423	Boysville Of Michigan, Inc.	\$172.65
21	07-99001	7739210	Spectrum Human Services	\$198.29
22	07-99065	9772751	Forestland Group Homes	\$153.80
23	07-99063	63594046	Helpsource	\$183.18

24           Sec. 727. (1) The legislature shall determine the cost of care  
25 for public juvenile justice facilities by dividing the amount  
26 obtained under subdivision (a) by the number of days determined  
27 under subdivision (b):



1 (a) Add the initial appropriation for the facilities to an  
2 allocation from the appropriation for juvenile justice field staff,  
3 administration, and maintenance, and subtract amounts for  
4 applicable federal meal reimbursements.

5 (b) The projected days of care as determined by the  
6 legislature in consultation with the department.

7 (2) Total per diem and chargeback rates determined under  
8 subsection (1) are effective January 1 in the fiscal year of the  
9 initial appropriation. By November 1, 2007, the department shall  
10 publish the following 2008 per diem and chargeback rates:

11 (a) High security juvenile services, male: per diem rate of  
12 \$625.57; chargeback rate of \$312.79.

13 (b) High and medium security juvenile services, female: per  
14 diem rate of \$588.13; chargeback rate of \$294.07.

15 (c) Juvenile justice services, northern Michigan: per diem  
16 rate of \$328.70; chargeback rate of \$164.35.

17 Sec. 728. The department and the department of corrections  
18 shall enter into an intergovernmental agreement to place 140  
19 children in the west wing of the Woodland center and in the  
20 Sequoyah center on the campus of the W.J. Maxey training school.  
21 The facilities shall be used to house children currently committed  
22 to the department of corrections.

23 Sec. 729. The appropriation in part 1 for capital  
24 improvements, juvenile justice facilities shall only be expended to  
25 facilitate capital improvements to the Sequoyah center on the  
26 campus of the W.J. Maxey training school that are necessary to meet  
27 federal department of justice requirements. The appropriation is



1 contingent upon the establishment of an intergovernmental agreement  
 2 between the department and the department of corrections to operate  
 3 the Sequoyah center to house children currently committed to the  
 4 department of corrections.

5 Sec. 730. It is the intent of the legislature that any  
 6 department workers displaced from employment during fiscal year  
 7 2007-2008 shall be reassigned and placed at the W.J. Maxey training  
 8 school.

9 Sec. 731. As a condition for receiving the appropriation in  
 10 part 1 for the child care fund line items, the department shall not  
 11 charge any county for expenses related to the payment of an  
 12 administrative rate to private child placing agencies that oversee  
 13 neglect and abuse wards if these same administrative costs are not  
 14 charged in a uniform manner to all counties in this state.

#### 15 **LOCAL OFFICE SERVICES**

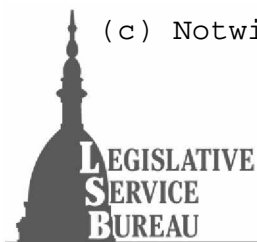
16 Sec. 750. The department shall maintain out-stationed  
 17 eligibility specialists in community-based organizations and  
 18 hospitals.

19 Sec. 751. (1) From the funds appropriated in part 1, the  
 20 department shall implement school-based family resource centers  
 21 based on the following guidelines:

22 (a) The center is supported by the local school district.

23 (b) The programs and information provided at the center do not  
 24 conflict with sections 1169, 1507, and 1507b of the revised school  
 25 code, 1976 PA 451, MCL 380.1169, 380.1507, and 380.1507b.

26 (c) Notwithstanding subdivision (b), the center shall provide



1 information regarding crisis pregnancy centers or adoption service  
2 providers in the area.

3 (2) The department shall notify the senate and house  
4 subcommittees on the department budget, the senate and house fiscal  
5 agencies and policy offices, and the state budget office of family  
6 resource center expansion budget implications and outcomes by  
7 August 2008.

8 Sec. 753. The department shall implement the recommendations  
9 of the 2004 public private partnership initiative's training  
10 committee to define, design, and implement a train-the-trainer  
11 program to certify private agency staff to deliver child welfare  
12 staff training, explore the use of e-learning technologies, and  
13 include consumers in the design and implementation of training. The  
14 intent of the legislature is to reduce training and travel costs  
15 for both the department and the private agencies. The department  
16 shall report no later than December 1, 2007 on each specific policy  
17 change made to implement enacted legislation and the plans to  
18 implement the recommendations, including timelines, to the senate  
19 and house appropriations subcommittees on the department budget,  
20 the senate and house standing committees on human services matters,  
21 the senate and house fiscal agencies and policy offices, and the  
22 state budget director.

23 Sec. 754. The department shall allow private nationally  
24 accredited foster care and adoption agencies to conduct their own  
25 staff training, based on current department policies and  
26 procedures, provided that the agency trainer and training materials  
27 are accredited by the department, and that the agency documents to



1 the department that the training was provided. The department shall  
 2 provide access to any training materials requested by the private  
 3 agencies to facilitate this training.

4 Sec. 755. From the money appropriated in part 1, \$8,154,100.00  
 5 shall be expended to add up to 200 FTE title IV-E eligibility  
 6 specialist positions. Employees filling these positions shall be  
 7 assigned to local county offices and shall serve as specialists in  
 8 determining title IV-E eligibility for child welfare cases with the  
 9 goal of increasing the number of title IV-E eligible cases  
 10 statewide. These positions shall be classified as services  
 11 specialists within the state classified civil service system.

#### 12 **DISABILITY DETERMINATION SERVICES**

13 Sec. 801. The department disability determination services in  
 14 agreement with the department of management and budget office of  
 15 retirement systems will develop the medical information and make  
 16 recommendations for medical disability retirement for state  
 17 employees, state police, judges, and schoolteachers.

#### 18 **CHILD SUPPORT ENFORCEMENT**

19 Sec. 901. (1) The appropriations in part 1 assume a total  
 20 federal child support incentive payment of \$26,500,000.00.

21 (2) From the federal money received for child support  
 22 incentive payments, \$12,000,000.00 shall be retained by the state  
 23 and expended for child support program expenses.

24 (3) From the federal money received for child support  
 25 incentive payments, \$14,500,000.00 shall be paid to the counties



1 based on each county's performance level for each of the federal  
2 performance measures as established in the code of federal  
3 regulations, CFR 45.305.2.

4 (4) If the child support incentive payment to the state from  
5 the federal government is greater than \$26,500,000.00 but less than  
6 \$30,000,000.00, then the additional revenue is appropriated so that  
7 50% of the excess shall be retained by the state and 50% of the  
8 excess shall be paid to the counties based on the distribution  
9 outlined in subsection (3).

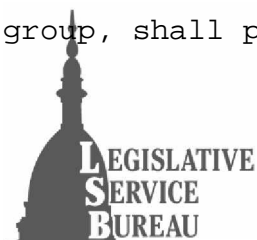
10 (5) If the child support incentive payment to the state from  
11 the federal government is greater than \$30,000,000.00, the  
12 additional funds above \$30,000,000.00 shall be subject to  
13 appropriation by the legislature.

14 (6) If the child support incentive payment to the state from  
15 the federal government is less than \$26,500,000.00, then the state  
16 and county allocations in subsections (2) and (3) shall each be  
17 reduced by 50% of the shortfall.

18 Sec. 902. (1) The department shall continue its work to fix  
19 and improve the child support computer system using the funding  
20 carried forward from fiscal year 2006-2007 appropriations.

21 (2) The department shall consult with the department of  
22 treasury and any outside consultant with collections expertise  
23 under contract with the department of treasury to develop a plan to  
24 maximize the collection of child support and child support  
25 arrearage settlement for the purposes of this section.

26 (3) The department, through the child support leadership  
27 group, shall provide semiannual reports to the legislature



1 concerning money expended and improvements made as a result of this  
2 section.

3       Sec. 903. The department may facilitate with the department of  
4 community health a program under which the departments  
5 independently or jointly contract with local friend of the court  
6 offices to update and maintain the child support statewide database  
7 with health insurance information in cases in which the court has  
8 ordered a party to the case to maintain health insurance coverage  
9 for the minor child or children involved in the case and to assist  
10 in the recovery of money paid by the state for health care costs  
11 that are otherwise recoverable from a party to the case. The  
12 program shall be in addition to a program or programs under  
13 existing contract between either or both of the departments with a  
14 private entity on September 1, 2005. The program shall be entirely  
15 funded with state and federal funds from money first recovered or  
16 through costs that are avoided by charging the insurance coverage  
17 for minor children from state programs to private insurance.

18       Sec. 907. The office of child support in cooperation with the  
19 state court administrative office shall establish a pilot program  
20 to examine the effectiveness of contracting with a public or  
21 private collection agency as authorized under section 10 of the  
22 office of child support act, 1971 PA 174, MCL 400.240. The pilot  
23 program shall be implemented during fiscal year 2007-2008. Any  
24 restricted revenue collected pursuant to this section shall not be  
25 expended until the department and representatives from counties and  
26 the friends of the court meet and agree upon recommendations for  
27 use of the revenue. The revenue is subject to appropriation by the





1 legislature.

2       Sec. 908. From the money appropriated in part 1 for child  
3 support enforcement operations, \$500,000.00 shall be expended on a  
4 contract with GC services aimed at collecting child support  
5 arrearages. Cases shall be assigned to GC services with the goal  
6 that at least 15% of collected arrearages be owed to this state on  
7 behalf of current or former TANF recipients. GC services shall be  
8 allowed to retain up to 15% of arrearages collected as a fee for  
9 services. By September 30, 2008, the department shall report to the  
10 house and senate appropriations subcommittees on the department  
11 budget, the house and senate fiscal agencies, and the house and  
12 senate policy offices on the following contract results:

13       (a) Number of cases assigned to GC services.

14       (b) Number of cases in which GC services successfully  
15 collected on arrearages.

16       (c) Total arrearages collected.

17       (d) Total arrearages collected that were owed to this state as  
18 reimbursement for public assistance.

19       (e) Total amount retained by GC services.

20       **OFFICE OF CHILDREN AND ADULT LICENSING**

21       Sec. 1001. The department shall assess fees in the licensing  
22 and regulation of child care organizations as defined in 1973 PA  
23 116, MCL 722.111 to 722.128, and adult foster care facilities as  
24 defined in the adult foster care facility licensing act, 1979 PA  
25 218, MCL 400.701 to 400.737. Fees collected by the department shall  
26 be used exclusively for the purpose of licensing and regulating



1 child care organizations and adult foster care facilities.

2       Sec. 1002. The department shall furnish the clerk of the  
3 house, the secretary of the senate, the senate and house fiscal  
4 agencies and policy offices, the state budget office, and all  
5 members of the house and senate appropriations committees with a  
6 summary of any evaluation reports and subsequent approvals or  
7 disapprovals of juvenile residential facilities operated by the  
8 department, as required by section 6 of 1973 PA 116, MCL 722.116.

9 If no evaluations are conducted during the fiscal year, the  
10 department shall notify the fiscal agencies and all members of the  
11 appropriate subcommittees of the house and senate appropriations  
12 committees.

13       Sec. 1003. If federal funds become available to support a lead  
14 testing program, the department shall, before issuing a license for  
15 a day care facility and as part of licensing review and facility  
16 inspection, require documentation verifying that the facility has  
17 been inspected for lead hazards and that any lead hazards  
18 identified have been remediated.

19       Sec. 1005. The department shall implement a performance-based  
20 licensing system. The plan shall include an approach that  
21 emphasizes site visits for new licensees and licensees with  
22 violations or filed complaints and random, but not required, site  
23 visits for licensees who have been in business for 5 years or more  
24 with no violations or filed complaints. The plan shall direct the  
25 licensing staff and field consultants to prioritize resources and  
26 site reviews on new licensees and those with documented complaints.  
27 The plan activities shall also be based on risk to the vulnerable



1 children and adults receiving services from licensees. The plan  
2 shall include an implementation date for fiscal year 2007-2008 and  
3 be submitted, by January 31, 2008, to the senate and house  
4 appropriations subcommittees on the department budget, the senate  
5 and house fiscal agencies and policy offices, and the state budget  
6 director.

7 **COMMUNITY ACTION AND ECONOMIC OPPORTUNITY**

8 Sec. 1101. Not later than September 30 of each year, the  
9 department shall submit for public hearing to the chairpersons of  
10 the house and senate appropriations subcommittees dealing with  
11 appropriations for the department budget the proposed use and  
12 distribution plan for community services block grant funds  
13 appropriated in part 1 for the succeeding fiscal year.

14 Sec. 1102. The department shall develop a plan based on  
15 recommendations from the department of civil rights and from Native  
16 American organizations to assure that the community services block  
17 grant funds are equitably distributed. The plan must be developed  
18 by October 31, 2007, and the plan shall be delivered to the  
19 appropriations subcommittees on the department budget in the senate  
20 and house, the senate and house fiscal agencies, and the state  
21 budget director.

22 Sec. 1103. The appropriation in part 1 for the weatherization  
23 program shall be expended so that at least 25% of the households  
24 weatherized under the program shall be households of families  
25 receiving 1 or more of the following:

26 (a) Family independence program assistance.



- 1 (b) State disability assistance.
- 2 (c) Food assistance.
- 3 (d) Supplemental security income.

